The University of Chicago

THE ADMINISTRATION OF THE STATE DISTRIBUTIVE FUND IN ILLINOIS

A DISSERTATION SUBMITTED TO THE GRADUATE FACULTY IN CANDIDACY FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF EDUCATION

By
HARRY AMBROSE PERRIN

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CHAPTER I

INTRODUCTION

School Finance Legislation in Illinois

In Illinois, for a period of fifty-one years prior to 1923, efforts to furnish state aid to public schools were limited to legislation providing increases in district tax rates and appropriations to the state common school fund, usually, and hereafter in this study, called the State Distributive Fund. This fund was allotted and paid to counties on the basis of the number of children under the age of 21 years as established by the federal census.[1]

Despite the shifting of population from rural to urban areas, the centralization of school pupils near mines and industries but frequently in other school districts than those in which the mines and industries are located, and the changes in property values, little serious effort was made to improve the financing of education on the part of the state until 1923. In that year, the state legislature passed a law providing a new method for allotting the State Distributive Fund to schools.[2] The fund had been increased gradually by legislative action from $1,000,000.00 in 1909 to $8,000,000.00 in 1921.[3]

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[1] H. B. Hurd, Illinois Revised Statutes, Vol. II, p. 2968.
[2] See Chap. II.
[3] See Chap. II, Table II.

The new law was passed by the legislature under the belief that it would provide increased aid to elementary schools in the poorer areas of the state. A few years of use revealed fragmentary evidence that the wealthy areas of the state seemed to be profiting more by the new law than the poor areas. The lack of definite studies constantly raised the question as to whether the administration of the state fund on the new basis was as helpful to schools as was the census basis formerly used.

The continued demand of poorer districts for greater aid for their schools led the legislature to change the method of administering the fund and to pass the 1927 equalization law.[1] This law was used for the first time for payment of claims based upon statistics for the school year ending June, 1928.

The Problem

The problem of the present study is the Administration o the State Distributive Fund in Illinois. It is proposed (1) t show the effects of the different methods of distribution used by the state during recent years when rapid change of plans ha been made by the legislature, and (2) to compare the administr tion of equalization aid in Illinois with that of other states with a view to pointing out ways in which the administration of the fund may be improved.

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[1] See Chap. II

The Scope of the Study

In the summer of 1929, after the State Distributive Fund had been allotted and paid for the 1928 budget, it was rumored that none of the counties in the state asking for special aid had received its full claim. It was decided to visit two neighboring counties with a view to ascertaining the facts as applied to these counties. Bureau County was selected as representative of an agricultural region, and Will County as representative of a mixed industrial and agricultural area. The detailed records in the offices of the county superintendents of these two counties furnished evidence which indicated rather clearly that none of the 1928 county claims on the State Distributive Fund had been paid in full.

In view of the finding, it was decided to secure data for the 102 counties of the state regarding the county claims in the 1928 budget and the state aid received. Visits were made to the offices of the State Superintendent of Public Instruction and of the Auditor of Public Accounts. Access to official published and unpublished records was freely granted. The data lent themselves to the general study of the problem, but details could be secured only from the counties.

During the study of the available data for all of the counties of the state, it was decided to visit and to

study one representative county from each of the four groups of counties of the state arranged on the basis of the full equalized assessed valuation supporting each child in average daily attendance for the school year ending June, 1928. Later, twelve counties, three from each group, were selected and visited during 1929 and 1930.

In order to compare the Illinois plan of distributing state aid to schools with the provisions made by other states, Delaware, Maryland, Virginia, North Caroline, Utah, New Hampshire, New York, and Missouri were selected for study. All but Utah and Missouri were visited and studied during 1930 and 1931.

Sources of Data

The sources from which the data used in this study were collected are seven in number: (1) records in the office of the State Superintendent of Public Instruction; (2) records in the files of the Auditor of Public Accounts; (3) records of twelve county superintendents of schools; (4) finance records of twelve county treasurers; (5) tax records in the offices of twelve county clerks; (6) records in or from the offices of the State Superintendent of Public Instruction or Commissioner of Education in the several states mentioned; and (7) various state and national publications, including reports and documents.

The method employed in collecting the data was primarily that of personal investigation, the only exception being the use of records, reports, and laws furnished by the States of Utah and Missouri. In numerous instances follow-up letters were used for the purpose of securing additional data with which to clear up certain apparent discrepancies arising from the study of data secured by personal visits.

A group of miscellaneous materials and publications comprised an additional source of data. These were, principally, reports of the State Superintendent of Public Instruction, reports of the State Auditor, reports of the State Tax Commission, reports of the United States Bureau of the Census, Bulletins from the United States Office of Education, statutes of Illinois and of selected states, and various books and pamphlets dealing with taxation in relation to educational support.

CHAPTER II

HISTORY OF THE STATE DISTRIBUTIVE FUND IN ILLINOIS

Illinois levies a state tax on all taxable property in the state. A portion of this tax is set aside to provide a fund with which to meet the legislative appropriation for the State Distributive Fund.[1]

Free School Law of 1825

State aid to schools in Illinois began with the Free School Act of 1825.[2] Section fifteen of this act provided for a state school fund, as follows:

> Be it further enacted, that for the encouragement and support of schools respectively established within the state, according to this act, there shall be appropriated, for that purpose, two dollars out of every hundred hereafter to be received in the treasury of this State; also, five-sixths of the interest arising from the school fund; which shall be divided annually, between the different counties of the state, in proportion to the number of white inhabitants in each county, under the age of twenty-one years after the next census shall be taken; until which time no such dividend shall take place.[3]

Thus, as early as 1825 -- the State of Illinois was admitted to the Union in 1818 -- a definite plan was provided whereby a state school fund would be raised and distributed to the counties for the support of schools.

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[1] H. B. Hurd, Illinois Revised Statutes, Vol. II, pp. 2966 ff.

[2] Laws of the State of Illinois, 1825, p. 121.

[3] Ibid, p. 125.

The provision for sources of revenue included five-sixth of the interest on the common school fund. This fund had its inception in an act of Congress in 1820. The act directed the Secretary of the Treasury to pay to the State of Illinois three per cent of the proceeds of the sale of public lands within the state on January 1, 1819. Five-sixths of it was to create a common school fund, and one- sixth was to be set aside as a college fund. The proceeds were ultimately borrowed by the state under an agreement that interest would be paid at the rate of six per cent. This provision for interest still remains, the fund being merely a matter of record. The total amount of this fund, paid over a period extending from 1820 to 1860, is $613,362.96.[1]

Although this 1825 law provided for a Distributive Fund with which to support schools, and authorized its disoursement to the county treasurers on the first day of January after the taking of the census and every year thereafter, there is no evidence that it became operative. In 1829 the appropriation was repealed.[2]

The Ninth General Assembly, 1835, provided that the undistributed interest accruing from 1829 to 1833 should be added to the principal and that the total available

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1 Laws of Illinois, 1821, p. 43.

2 Code of Laws, Illinois, 1829, p. 149.

interest should be distributed to the counties annually on the first Monday of January.[1]

In 1837 the federal government divided its surplus revenue among the states. The sum of $335,592.32 was received by Illinois. This amount was turned over to the state treasurer and used for government expenses with arrangement to pay interest at six per cent to the State Distributive Fund.[2]

School Law of 1855

It was not until 1855 that any further legislative action was taken with reference to the Distributive Fund. The 1855 law provided for the levy of a two-mill tax, the proceeds of which should become a part of the annual Distributive Fund.[3] Two-thirds of the two-mill tax went to the counties in proportion to the number of white child inhabitants under twenty-one years of age, and one-third on the basis of the number of townships and parts of townships in the county. The accruing interest was similarly distributed. From 1865 to 1872 the distribution of the proceeds of the two-mill tax

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1 Laws of Illinois, 1835, p. 23.

2 Laws of Illinois, 1837, p. 193; Illinois School Laws, 1905, p. 5.

3 Laws of Illinois, 1855, pp. 77-78.

was one-half on the basis of days attendance and one-half on the number of persons under twenty-one years of age.

Constitution of 1870

Article VIII of the Constitution of 1870 provided that all, not merely the white, children of the state should have the advantage of free schools. The wording is as follows:

> The General Assembly shall provide a thorough and efficient system of free schools, whereby all children of the state may receive a good common school education.[1]

Distributive Fund as Appropriation Sums

From 1855 to 1872 the two-mill tax was levied by the state and distributed to the counties for the benefit of the common schools. The 1872 law[2] provided for distribution on the basis of the number of children under twenty-one years of age as established by the last federal census. This law contained a provision that the two-mill tax was to be levied "unless otherwise provided by law". On May 3, 1873, the legislature passed a law providing an annual appropriation of $1,000,000.00 for the Distributive Fund in lieu of the two-mill tax.[3]

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[1] J. C. Cahill, Illinois Revised Statutes, 1925, p. 21.

[2] Laws of Illinois, 1871-1872, pp. 732 ff.

[3] Laws of Illinois, 1873, p. 179.

The record of legislative appropriations for the Distributive Fund shows that 1,000,000.00 was furnished annually from 1873 to 1909. In 1911 the amount was increased to $2,000,000.00. In 1915 and 1917 the appropriation was $4,000,000.00, and in 1919 it was increased to $6,000,000.00. From 1921 to 1928 the legislature granted $8,000,000.00 annually. Table I gives the appropriation amounts from 1909 to 1928 during which time the sum was increased from $1,000,000.00 to $8,000,000.00.

Distribution by Budgets, 1923 and 1927

No change in the basis of distribution of the fund was made from 1873 to 1923. In the latter year, the legislature passed a law providing a budget basis for allotting the Distributive Fund. The term budget has come into legal and common use to designate the organized claims of local school units on the State Distributive Fund. The 1923 law was not operative until 1925, because it took more than a year to plan and to distribute proper forms and to get reports from all the counties. In the interim, the fund was allotted on the basis stipulated in the 1872 law.

The 1923 budget law[1] provided that each county budget should be the sum of the several district budgets.

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[1] J. C. Cahill and Basil Jones, Illinois Statutes Revised, Vol. 7, 1924, p. 7378.

TABLE I

AMOUNT OF ANNUAL APPROPRIATION TO THE STATE DISTRIBUTIVE FUND, 1909 TO 1928

Year	Annual Appropriation*
1909	$1,000,000.00
1911	2,000,000.00
1913	3,000,000.00
1915	4,000,000.00
1917	4,000,000.00
1919	6,000,000.00
1921	8,000,000.00
1923	8,000,000.00
1925	8,000,000.00
1927	8,000,000.00
1928	8,000,000.00

* Session Laws of Illinois, 1909, p. 82; 1911, p. 95; 1913, p. 100; 1915, p. 209; 1917, p. 164; 1919, p. 162; 1921, p. 91; 1923, p. 20; 1925, p. 23; 1927, p. 40; 1927, p. 40.

Note: The State Distributive Fund was increased to $10,000,000.00 in 1929, and to $10,500,000.00 in 1931.

Five major allotment provisions for distribution characterize this law:

a) 70 cents for each teacher-school-day

b) for each week, not exceeding 36 weeks

$2.50 per teacher, normal graduate or equivalent

$1.00 per teacher, 36 weeks normal training or equivalent

$0.50 per teacher, 18 weeks normal training or equivalent

c) one and one-half cents per pupil-day attendance

d) special aid to weak districts, per teacher-school-day allowance graduated according to assessed valuation:

$25,000 or less --- $2.00

$25,000 to $30,000--$1.50

$30,000 to $35,000--$1.00

$35,000 to $40,000--$0.50

e) an additional $100 to each one-room elementary school district employing a normal graduate and operating school nine months.

The foregoing provisions were subject to the following special interpretations:

a) forty weeks previous teaching experience to be counted as 18 weeks of normal training

b) pupils to be between 6 and 21 years of age

c) districts required to levy a one per cent educational tax before claiming special aid.

The aim of the foregoing provisions was to stimulate a longer school year, the employment of better trained teachers, and an increase in the regularity of attendance of pupils. The special aid for districts having less than $40,000 of assessed valuation supporting each teacher employed provided greatest aid to weakest districts.

The legislature passed another distribution law in 1927.[1] It became operative at once, providing for the payment of the 1927-28 budget claims in the spring of 1929. This law was an attempt to employ the principle of equalization, including special aid to needy districts. It provided:

a) $9.00 per pupil in average daily attendance

b) special equalization aid to needy districts,
amount equal to $25.00 multiplied by the number of pupils in average daily attendance, weighted to 18, if less, or
amount equal to $850 multiplied by the number of teachers, if larger than one per cent of the assessed valuation, or
the difference between the larger amount and the proceeds of a one per cent educational tax to make a larger sum.

The distribution of $9.00 per pupil in average daily attendance aimed to provide a state-wide equalization. The money was to be raised by a general tax on the taxable

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[1] Basil Jones, Illinois Statutes, Annotated, 1929 Supplement, p. 1147

property of the entire state and was to be distributed on the basis of pupil attendance in all parts of the state. The special equalization aid aimed to provide for the needs of districts unable to raise $850 per year by the levy of a one per cent educational tax on the assessed valuation of property in the district. The one per cent educational tax was required to be levied before the district might claim special equalization aid in its budget.

Table II presents a comparative analysis of the provisions of the census basis of 1872 and the budget basis of the 1923 and 1927 laws for disbursing the State Distributive Fund. Perhaps the most striking feature of the analysis is that the plans have little in common. There is, however, one provision in which there is some similarity of procedure: namely, the distribution on the basis of pupils in average daily attendance under the 1923 and 1927 laws. In the former, the aggregate days of attendance was used; and in the latter, the average number of pupils in daily attendance was made the basis of partial distribution.

The three laws were based upon different principles. The census basis provided by the 1872 law was wholly a minor population plan. The 1923 law used stimulation as the chief factor governing distribution. The 1927 law provided aid on the basis of general and special equalization.

TABLE II

COMPARATIVE ANALYSIS OF THE PROVISIONS OF THE CENSUS BASIS OF 1872 AND THE BUDGET BASIS OF 1923 AND 1927 FOR DISTRIBUTING THE STATE DISTRIBUTIVE FUND OF ILLINOIS

Law	No. of Pupils in District Under 21 yrs. of age	Teacher School Day			Teacher Training	Pupil A D A 6-21 yrs. age grades 1-8		One room Rural School Teacher Normal Grd 9 mo. Term	Special Equalization 1% Ed. Levy Required
		General Aid	1% Ed. Levy Req'd	Special Aid to weak Districts	Normal or Equivalent Beyond 4 yrs High School	No. Days Aggregate	Av. No. Pupils***		
1872	wholly								
1923		$.70		$25000) or less) $2.00 $25000) 30000) $1.50 $30000) 35000) $1.00 $35000) 40000) $ .50	18 weeks* $ .50 wk** 35 weeks $1.00 wk 2 years $2.50 wk	$.01½		$100	
1927							$9.00		Av. no. pupils in ADA x $25 as weighted or No. tchrs. x $850 if larger than 1% of ass'd val.

*40 wks. experience before this act counted as equivalent to 18 wks. normal.
**Limited to 36 wks. per year.
***As weighted to 18 pupils per teacher, if less than that number.

CHAPTER III

SCHOOL SUPPORT

School support in Illinois is based upon taxes levied on the assessed valuation of real and personal property.[1] In recent years, other sources of school revenue have been proposed and, to some extent, utilized in certain states. Illinois, however, has not changed her original plan. For this reason, assessed valuation is used in the present study as the most practical basis of comparison of the effect of furnishing state aid to schools by the three plans operative since 1872.

Assessed Valuation Supporting Each Child

For the purposes of a comparative study of the possibility of school support under the system of taxation in use, the amount of full equalized assessed valuation supporting each child in average daily attendance was determined. The data are presented in Table III. The child in average daily attendance was used rather than pupil enrollment, average daily enrollment, or other possible measures, because the present distribution law uses this unit.

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[1] H. B. Hurd, op. cit.

Table III exhibits great variability in the assessed valuation per county, the number of pupils in average daily attendance, and the amount of assessed valuation supporting each child in average daily attendance within the counties. The total full assessed valuation was $8,762,051,078.00 in the 1927 assessment, the available assessment upon which to levy for the 1928 school budget.[1] There were 902,458 pupils in average daily attendance in the state for the school year ending June, 1928. Each pupil in average daily attendance in the elementary schools of the state had an average support base of full assessed valuation amounting to $9,709.10. Since the taxes are levied by districts and collected by counties, the latter figure serves to suggest the possibility of support, provided school revenues were raised uniformly using the state as a district.

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[1] Laws of Illinois, 1927, Sec. 189.
It is an interesting commentary upon the plan of taxation to observe that school taxes are levied upon the assessed valuation of the year preceding that in which the taxes are actually collected. This is due to the fact that levies for school purposes are made in whole sums, not to exceed the amount which would be produced by the legal rate on the last available assessment. The taxes are collected in the spring of the year before the assessment for the same year is completed.

TABLE III

AMOUNT OF FULL ASSESSED VALUATION, NUMBER OF PUPILS IN AVERAGE DAILY ATTENDANCE, AND AMOUNT OF FULL ASSESSED VALUATION SUPPORTING EACH PUPIL FOR THE SCHOOL YEAR ENDING JUNE, 1928, BY COUNTIES

Counties	Full Assessed Valuation*	No. of Pupils in Average Daily Attendance**	Assessed Valuation Supporting Each Pupil
Adams	$ 77,959,877	6,370	$ 12,238.60
Alexander	19,745,340	3,718	5,310.74
Bond	14,867,618	2,559	5,809.93
Boone	22,988,148	2,096	10,967.63
Brown	9,533,359	1,109	8,596.36
Bureau	56,518,816	6,026	9,379.16
Calhoun	8,425,730	1,115	7.556.71
Carroll	26,825,635	2,652	10,115.25
Cass	22,397,096	2,609	8,584.55
Champaign	87,268,198	8,638	10,102.82
Christian	44,656,993	5,991	7,454.01
Clark	18,391,964	3,038	6,053.97
Clay	11,653,845	2,814	4,141.38
Clinton	20,571,789	2,279	9,026,67
Coles	32,810,243	5,675	5,781.54
Cook	4,667,978,035	387,815	12,036.61
Crawford	21,821,169	3,862	5,650.23
Cumberland	10,340,699	1,934	5,346.79
DeKalb	52,623,879	5,363	9,812.40
DeWitt	25,818,513	3,135	8,235.57
Douglas	26,397,464	3,164	8,343.07
DuPage	91,151,146	10,222	8,917.15
Edgar	37,986,016	3,754	10,118,81
Edwards	7,921,214	1,292	6,130.97
Effingham	18,485,007	2,591	7,134.31
Fayette	21,032,633	3,810	5,520.38
Ford	33,057,282	2,409	13,722.41
Franklin	33,973,753	13,571	2,503.41
Fulton	46,374,128	6,794	6,825.75
Gallatin	8,316,921	1,747	4,760.69
Greene	23,690,401	3,260	7,266.99
Grundy	30,846,647	2,538	12,153.92
Hamilton	9,979,109	2,297	4,344.41
Hancock	43,582,257	3,865	11,276.13
Hardin	3,858,600	1,110	3,476.22
Henderson	19,514,583	1,435	13,599.01
Henry	63,390,975	5,972	10,614.70
Iroquois	68,997,205	5,089	13,558.11
Jackson	23,084,635	6,138	3,760.94
Jasper	9,639,961	2,387	4,038.53

TABLE III

(cont.)

Counties	Full Assessed Valuation	No. of Pupils in Average Daily Attendance	Assessed Valuation Supporting Each Pupil
Jefferson	$ 20,812,364	5,667	$ 3,672.55
Jersey	11,629,867	1,685	6,902.00
Jo Daviess	27,249,096	2,587	10,533.09
Johnson	8,971,831	2,076	4,321.69
Kane	116,747,625	12,755	9,153.09
Kankakee	51,390,788	5,434	9,457.27
Kendall	18,745,815	1,494	12,547.40
Knox	63,078,902	7,011	8,997.13
Lake	116,409,495	10,516	11,069.75
LaSalle	133,761,035	11,663	11,468.84
Lawrence	19,252,368	2,769	6,952.82
Lee	53,100,547	3,832	13,857.14
Livingston	74,179,805	5,643	13,145.46
Logan	50,032,792	3,757	13,317.22
McDonough	37,881,349	3,881	9,760.72
McHenry	52,140,530	3,942	13,266.92
McLean	112,292,509	9,311	12,060.20
Macon	74,601,457	11,033	6,761.67
Macoupin	41,051,134	8,577	4,786.19
Madison	109,145,058	18,029	6,053.86
Marion	22,922,434	5,794	3,956.24
Marshall	27,450,952	1,869	14,687.51
Mason	24,828,069	4,779	5,195.24
Massac	11,697,518	2,561	4,567.56
Menard	18,941,697	1,946	9,733.66
Mercer	29,439,941	2,726	10,799.68
Monroe	16,623,795	1,645	10,105.65
Montgomery	41,145,364	5,730	7,180.69
Morgan	48,115,817	4,225	11,388.36
Moultrie	18,781,966	2,174	8,639.36
Ogle	50,165,834	4,009	12,513.30
Peoria	135,750,939	13,531	10,032.59
Perry	18,796,773	3,842	4,892.44
Piatt	32,388,842	2,796	11,583.99
Pike	27,514,548	3,877	7,096.87
Pope	5,565,768	1,476	3,770.85
Pulaski	7,707,065	2,963	2,601.10
Putnam	7,616,671	1,045	7,288.68
Randolph	21,713,402	3,884	5,590.47
Richland	10,288,168	2,344	4,389.15
Rock Island	73,187,733	10,467	6,992.24
St. Clair	140,023,741	18,684	7,494.31
Saline	18,702,029	7,470	2,503.62

TABLE III

(cont.)

Counties	Full Assessed Valuation	No. of Pupils in Average Daily Attendance	Assessed Valuation Supporting Each Pupil
Sangamon	$ 123,779,063	13,673	$ 9,052.81
Schuyler	12,709,423	1,932	6,578.38
Scott	13,509,598	1,304	10,360.12
Shelby	35,996,986	3,997	9,006.00
Stark	19,820,096	1,438	13,783,10
Stephenson	45,315,613	4,929	9,193.67
Tazewell	61,913,130	6,492	9,536.83
Union	14,396,335	3,481	4,135.69
Vermillion	101,084,896	13,346	7,574.17
Wabash	12,910,832	2,267	5,695.12
Warren	36,720,620	3,228	11,375.66
Washington	17,093,712	2,256	7,577.00
Wayne	14,334,117	3,809	3,763.22
White	12,964,187	3,251	3,987.75
Whiteside	52,038,749	5,690	9,145.65
Will	116,722,101	11,585	10,075.28
Williamson	29,407,127	19,518	1,506.67
Winnebago	130,881,001	13,808	9,478.64
Woodford	34,133,868	2,712	12,586.23
State	8,762,051,780	902,458	9,709.10

*Ninth Annual Report Tax Commission of Illinois, 1927, pp. 295-298.

**Unpublished data, Office of State Superintendent of Public Instruction, Springfield, Illinois.

The distribution of counties in terms of thousands of dollars of assessed valuation units supporting each child in average daily attendance is given in Table IV. This distribution presents a picture of the great differences existing in the abilities of the 102 counties in the state to support their schools. The two extreme positions in the distribution are held by Marshall and Williamson counties. The wealthiest county, Marshall, is related to the poorest county, Williamson, by a ratio of approximately 10 to 1. The full assessed valuation per pupil in average daily attendance as shown in Table IV was $14,687.51 for the former, and $1,506.67 for the latter. Figure 1 shows this relationship graphically.

Counties Arranged in Ability Groups

For the purpose of comparative study, the counties are arranged in four groups on the basis of the amount of full assessed valuation supporting each child in average daily attendance. The first and third groups consist of twenty-six counties each, and the second and fourth groups include twenty-five counties each. Table V presents the organization of the counties in groups. The gradual decline in the valuation

TABLE IV

DISTRIBUTION OF COUNTIES IN THOUSANDS OF DOLLARS OF ASSESSED VALUATION SUPPORTING EACH PUPIL IN AVERAGE DAILY ATTENDANCE

Thousands of Dollars	Number of Counties
14 - 14.9	1
13 - 13.9	8
12 - 12.9	7
11 - 11.9	6
10 - 10.9	11
9 - 9.9	13
8 - 8.9	7
7 - 7.9	10
6 - 6.9	9
5 - 5.9	9
4 - 4.9	10
3 - 3.9	7
2 - 2.9	3
1 - 1.9	1
0 - .9	0
Total	102

Mean	$9,700
Median	8,400

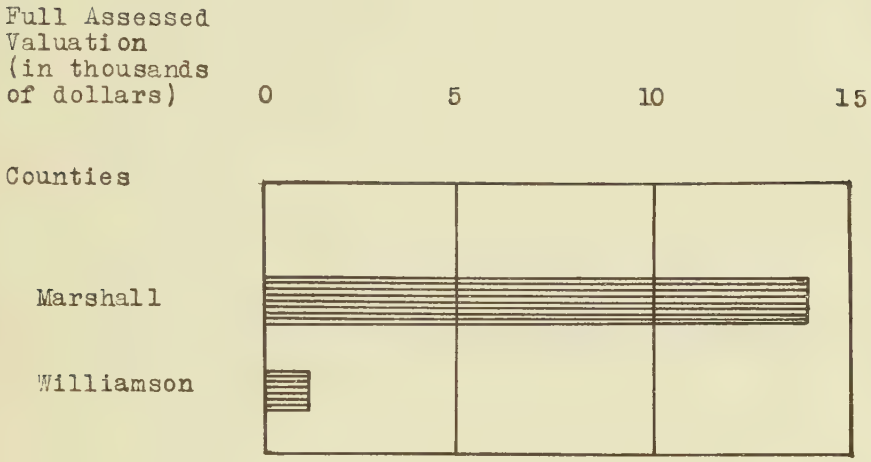

Fig. 1.- Amount of full assessed valuation, in thousands of dollars, supporting each child in average daily attendance in Marshall and Williamson counties for the 1928 school budget.

supporting each pupil in average daily attendance is very marked. Within the first group, the wealthiest county, Marshall, had approximately fifty per cent more assessed valuation supporting each pupil than the poorest county, Jo Daviess. Within the lowest group of counties, the wealthiest county, Fayette, had more than four times as much assessed valuation supporting each pupil as did the poorest county, Williamson.

Table VI gives the amount of the assessed valuation per pupil in average daily attendance for the wealthiest, middle and poorest counties in each group for the 1928 budget. It will be observed that the median for the first and wealthiest group, $12,196.00, is approximately three times the median for the fourth and poorest group, $4,135.00. The medians indicate that the first group of counties was three times as able to support each pupil in average daily attendance as was the fourth group of counties. The extremes within each group indicate great differences in the amount of county assessed valuation supporting each pupil in average daily attendance. The wealthiest county in the first group had an assessed valuation of $14,687.00 and the poorest county in the group, $10,533.00 supporting each child in average daily attendance for the school year ending June, 1928. Still more striking is the difference between the wealthiest

TABLE V

COUNTIES BY GROUPS ON THE BASIS OF FULL ASSESSED VALUATION PER PUPIL IN AVERAGE DAILY ATTENDANCE, BUDGET OF 1928

Counties	Valuation Per Pupil in Average Daily Attendance*
Marshall	$ 14,687
Lee	13,857
Stark	13,783
Ford	13,772
Henderson	13,599
Iroquois	13,558
Logan	13,317
McHenry	13,226
Livingston	13,145
Woodford	12,586
Kendall	12,547
Ogle	12,513
Adams	12,238
Grundy	12,153
McLean	12,060
Cook	12,036
Piatt	11,583
LaSalle	11,468
Morgan	11,388
Warren	11,375
Hancock	11,276
Lake	11,069
Boone	10,967
Mercer	10,799
Henry	10,614
Jo Daviess	10,533
Scott	10,360
Edgar	10,118
Carroll	10,115
Monroe	10,105
Champaign	10,102
Will	10,075
Peoria	10,032
DeKalb	9,812
McDonough	9,760
Menard	9,733
Tazewell	9,536
Winnebago	9,478
Kankakee	9,457

TABLE V

(cont.)

Counties	Valuation Per Pupil in Average Daily Attendance
Bureau	$ 9,379
Stephenson	9,193
Kane	9,153
Whiteside	9,145
Sangamon	9,052
Clinton	9,026
Shelby	9,006
Knox	8,997
DuPage	8,917
Moultrie	8,639
Brown	8,596
Cass	8,584
Douglas	8,343
DeWitt	8,235
Washington	7,577
Vermillion	7,574
Calhoun	7,556
St. Clair	7,494
Christian	7,454
Putnam	7,288
Greene	7,266
Montgomery	7,180
Effingham	7,134
Pike	7,096
Rock Island	6,992
Lawrence	6,952
Jersey	6,902
Fulton	6,825
Macon	6,761
Schuyler	6,578
Edwards	6,130
Madison	6,053
Clark	6,053
Bond	5,809
Coles	5,781
Wabash-	5,695
Crawford	5,650
Randolph	5,590
Fayette	5,520
Cumberland	5,346

TABLE V

(cont.)

Counties	Valuation Per Pupil in Average Daily Attendance
Alexander	$ 5,310
Mason	5,195
Perry	4,892
Macoupin	4,786
Gallatin	4,760
Massac	4,567
Richland	4,389
Hamilton	4,344
Johnson	4,321
Clay	4,141
Union	4,135
Jasper	4,038
White	3,987
Marion	3,956
Pope	3,770
Wayne	3,763
Jackson	3,760
Jefferson	3,672
Hardin	3,476
Pulaski	2,601
Franklin	2,503
Saline	2,503
Williamson	1,506

* Based on data in Table III.

TABLE VI

FULL ASSESSED VALUATION PER PUPIL IN AVERAGE DAILY ATTENDANCE FOR THE WEALTHIEST, MIDDLE, AND POOREST COUNTIES IN EACH GROUP, BUDGET OF 1928

Group	Assessed Valuation* Per Pupil
First	$ 14,687.00
	12,196.00**
	10,533.00
Second	10,360.00
	9,457.00
	8,584.00
Third	8,343.00
	6,972.00**
	5,590.00
Fourth	5,520.00
	4,135.00
	1,506.00

* Data from Table V..
** Average for the two middle counties.

and the poorest counties in the fourth group, $5,520.00 and $1,506.00, respectively.

Figure 2 represents graphically the median amounts of full assessed valuation in thousands of dollars per pupil in average daily attendance for the 1928 budget, by groups of counties. This diagram indicates a rapid decline in the amount of assessed valuation supporting each pupil in average daily attendance from the first to the fourth group as measured in medians.

Tables III, IV, V, and VI, and Figures 1 and 2 furnish a clear notion of the degree to which different counties of the state, individually, could support each child in average attendance on anything like a basis of equality, if a uniform standard rate of school taxation were assumed.

Figure 3 shows the distribution on the state map of the counties, in groups, on the basis of full assessed valuation per pupil in average daily attendance in 1928. With few exceptions, the counties comprising the lower two groups are located below the middle of the state. With the exception of Mason County, all the counties in the poorest group are located well to the lower end of the state. With the exception of Morgan County, the counties comprising the wealthiest first group are located in the upper half of the state. Those counties comprising the third group

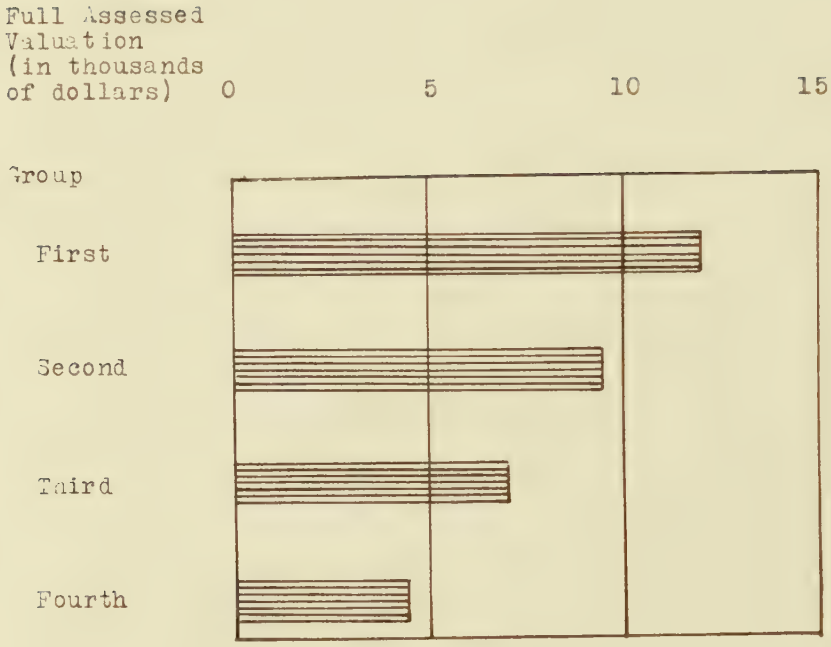

Fig. 2.- Median amounts of full assessed valuation, in thousands of dollars, per pupil in average daily attendance for the 1928 budget, by groups of counties.

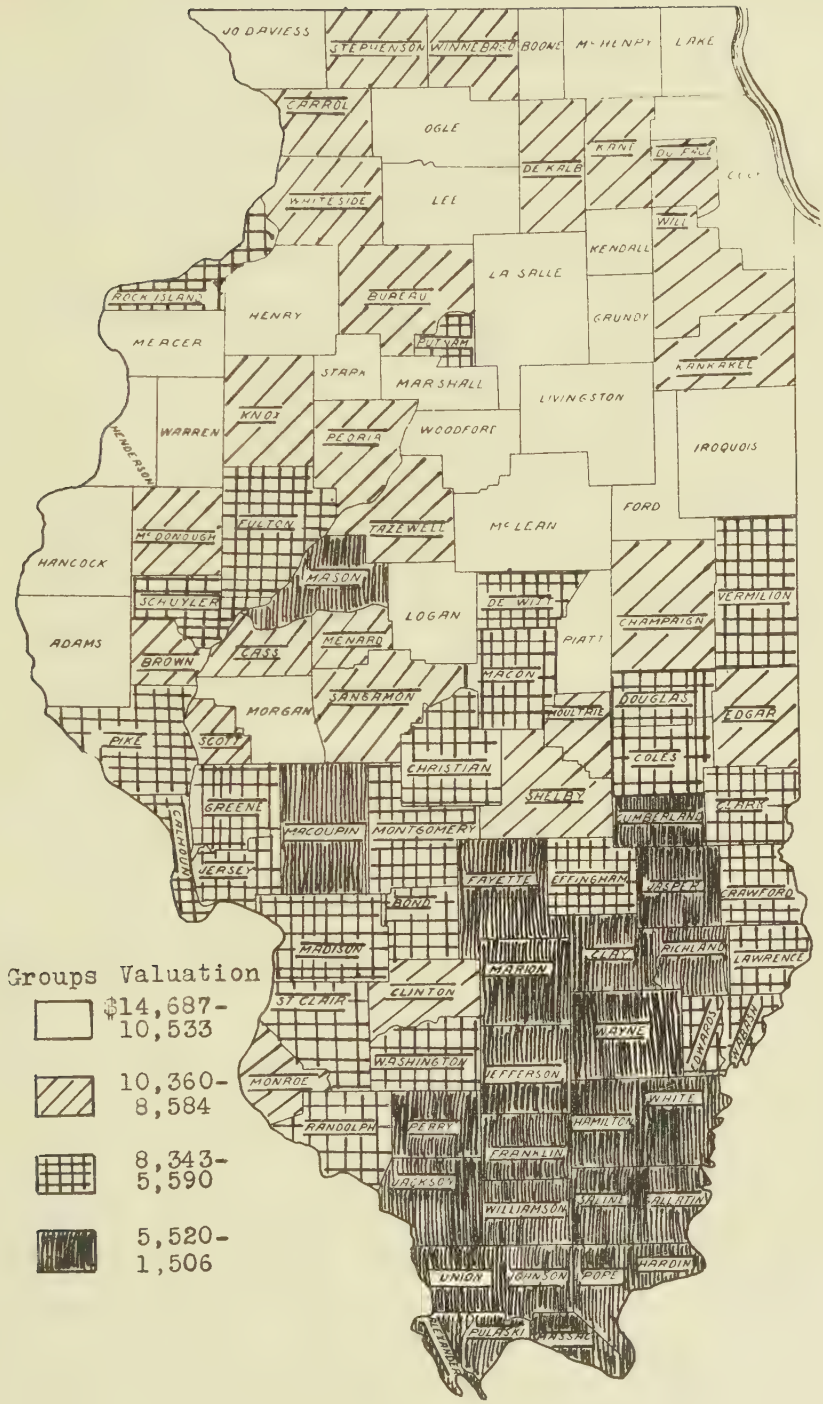

Fig. 3.- Groups of counties in Illinois based on the full assessed valuation per pupil in average daily attendance for the 1928 budget.

are, with the exception of Clinton and Monroe counties, located in the upper two-thirds of the state. The third group is composed of counties showing the greatest spread of distribution in the state.

The presence of Mason County in the poorest group led to a consideration of why this county which is located well above the middle of the state should be so classified. It is located in the sandy-clay bottoms of the Illinois River valley and has relatively poor soil. There are no large cities in the county to augment its assessed valuation, and there are no flourishing industries. Agriculture forms the chief occupation of the people. Its location, however, has led it to imitate its more wealthy county neighbors in providing numerous small district schools.

Morgan County is classified in the wealthiest group, although it is located slightly below the middle of the state. Its land is rich, and agriculture flourishes. Its small stretch of bottom lands along the Illinois River is very fertile. Its county seat, Jacksonville, is a trading and small industrial center. Morgan has twice the assessed valuation of Mason, while having fewer children in its schools.[1]

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[1] See Table III.

The foregoing tables in this chapter have shown the startling variation in the amount of county full assessed valuation supporting each child in average daily attendance. It is important to notice that the factor, per child in average daily attendance, tends to arrange the counties in a wealth series which does not agree with the position of the counties in comparative county wealth. Reference to Tables IV and V will show that although Marshall County had the largest valuation per pupil in average daily attendance, its actual assessed valuation in 1927 was nearly two thousand dollars less than that of Williamson, the poorest county in the state as measured by wealth supporting each pupil in average daily attendance.

Excluding Cook County, the counties of St. Clair, Peoria, La Salle, and Winnebago were the wealthiest four counties in the state according to the 1927 assessment. But when measured in terms of assessed valuation supporting each child in average daily attendance for the school year ending June, 1928, St. Clair, the wealthiest county, was sixth in the counties in the third group; Peoria, the second county in wealth, ranked seventh in the second group; LaSalle, the third in wealth, was eighteenth in the first group; and Winnebago, the fourth in wealth, took twelfth place in the second group. Even Cook County, which had more than half of the wealth of the state according to the

1927 assessment, fell to sixteenth place in the first group when classified in terms of valuation per pupil in average daily attendance. The examples mentioned show how completely the number of pupils attending school changes the relative position of counties when supporting wealth per child is substituted for county assessment valuation.

Proceeds of a One Per Cent Educational Tax

The 1927 distribution law makes it mandatory that any district claiming special equalization state aid shall have levied an educational tax on the last assessed valuation equivalent to a one per cent rate.[1] The question of the support of pupils in average daily attendance in each county may be considered from a theoretical viewpoint by supposing that each district has levied a uniform one per cent education tax. How much would such a tax yield on the amount of assessed valuation supporting each child in average daily attendance in each county? Table VII was constructed from the data in Table VI to show the amount which such a tax would yield. The table maintains the arrangement of counties in groups based upon the full assessed valuation supporting each child in average daily attendance.

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[1] Laws of Illinois, 1927

TABLE VII

AMOUNT PRODUCED BY A ONE PER CENT EDUCATIONAL TAX BY COUNTIES IN GROUPS BASED UPON THE ASSESSED VALUATION PER PUPIL IN AVERAGE DAILY ATTENDANCE FOR THE SCHOOL YEAR ENDING JUNE, 1928

Counties	One Per Cent of Assessed Valuation Per Pupil in Average Daily Attendance*
Marshall	$ 146.87
Lee	138.57
Stark	137.83
Ford	137.72
Henderson	135.99
Iroquois	135.58
Logan	133.17
McHenry	132.26
Livingston	131.45
Woodford	125.86
Kendall	125.47
Ogle	125.13
Adams	122.38
Grundy	121.53
McLean	120.60
Cook	120.36
Piatt	115.83
LaSalle	114.68
Morgan	113.88
Warren	113.75
Hancock	112.76
Lake	110.69
Boone	109.67
Mercer	107.99
Henry	106.14
Jo Daviess	105.33
Scott	103.60
Edgar	101.18
Carroll	101.15
Monroe	101.05
Champaign	101.02
Will	100.75
Peoria	100.32
DeKalb	98.12
McDonough	97.60
Menard	97.33
Tazewell	95.36

TABLE VII

(cont.)

Counties	One Per Cent of Assessed Valuation Per Pupil in Average Daily Attendance
Winnebago	$ 94.78
Kankakee	94.57
Bureau	93.79
Stephenson	91.93
Kane	91.53
Whiteside	91.45
Sangamon	90.52
Clinton	90.26
Shelby	90.06
Knox	89.97
DuPage	89.17
Moultrie	86.39
Brown	85.96
Cass	85.84
Douglas	83.43
DeWitt	82.35
Washington	75.77
Vermillion	75.74
Calhoun	75.56
St. Clair	74.94
Christain	74.54
Putnam	72.88
Greene	72.66
Montgomery	71.80
Effingham	71.34
Pike	70.96
Rock Island	69.92
Lawrence	69.52
Jersey	69.02
Fulton	68.25
Macon	67.61
Schuyler	65.78
Edwards	61.30
Madison	60.53
Clark	60.53
Bond	58.09
Coles	57.81
Wabash	56.95
Crawford	56.50
Randolph	55.90

TABLE VII

(cont.)

Counties	One Per Cent of Assessed Valuation Per Pupil in Average Daily Attendance
Fayette	$ 55.20
Cumberland	53.46
Alexander	53.10
Mason	51.95
Perry	48.92
Macoupin	47,86
Gallatin	47.60
Massac	45.67
Richland	43.89
Hamilton	43.44
Johnson	43.21
Clay	41.41
Union	41.35
Jasper	40.38
White	39.87
Marion	39.56
Pope	37.70
Wayne	37.63
Jackson	37.60
Jefferson	36.72
Hardin	34.76
Pulaski	26.01
Franklin	25.03
Saline	25.03
Williamson	15.06

* Data calculated from Table VI .

The extremes presented in Table VII point out the fact that the wealthiest county, Marshall, could raise $146.87, while the poorest county, Williamson, could raise but $15.06 per pupil in average daily attendance. The data show, further, that the counties in the upper group could raise from $105.33 to $146.87, while those in the lowest group could raise from $15.06 to $55.20 per pupil in average daily attendance.

DeWitt County, which is the second in ability in the third group, could raise $82.35 per pupil. No county located lower in the third and fourth groups could do as well. The average cost per pupil enrolled for current expenses for the school year ending June, 1928, was reported by the State Superintendent of Public Instruction as being $82.50.[1] Although no statistics are reported in terms of the per-pupil-in-average-daily-attendance unit used in this study, it is clear that the cost would be somewhat greater than the cost per pupil enrolled. Only fifty-four of the one-hundred-two counties in the state could raise sufficient revenue by a one per cent educational tax to support schools costing as much as the actual average per pupil enrolled for the school year ending June, 1928.

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[1] Statistical Report of the Superintendent of Public Instruction of the State of Illinois, 1928, p. 1.

CHAPTER IV

COMPARISON OF ALLOTMENTS OF THE STATE DISTRIBUTIVE FUND FOR 1924, 1927, and 1928

As stated in Chapter II, the State of Illinois has made several efforts to improve the method of furnishing aid to schools. The three allotment plans that have been used since 1872 are those provided under the laws of 1872, 1923, and 1927. One of the chief problems of this study is to determine how effectively these different plans have operated.

It was pointed out in Chapter II that the common school fund was distributed to counties from 1872 to 1924 on the basis of the number of pupils under twenty-one years of age as determined by the federal census. Although the law creating the so-called stimulation plan was passed in 1923, the routine of providing forms and securing data was such as to postpone its use until 1925.[1] In 1927 the legislature passed the present budget law, which became operative for the school year ending June, 1928.[2] The immediate problem is to determine just what changes took place in the allotment of the Distributive Fund under each succeeding plan.

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[1] Statistical Reports of State Superintendent of Public Instruction, 1923, 1924, 1925.

[2] Session Laws of Illinois, 1927

Comparative Study of Allotments

Table VIII gives the amounts allotted to each county by the State Auditor for 1924, 1927, and 1928. The census basis was last used in 1924. Likewise, 1927 was the last year in which the stimulation law of 1923 was operative. The 1927 equalization law became effective in 1928. A comparison of the distributions made in these years is possible because the Distributive Fund provided by the legislature was $8,000,000.00 annually from 1924 to 1928, as has been shown in Table I of Chapter II.

Table VIII shows that the grand totals of final disbursements to counties were $7,491,535.94 for 1924, $7,425,835.39 for 1927, and $7,258,808.93 for 1928. The actual yearly distribution to counties did not total the annual appropriation of $8,000,000.00. This was due to the provisions in the distribution law which required the payment of certain sums to the Pension Fund and for salaries of County Superintendents before the issuing of apportionment warrants to the counties.[1] The total amounts distributed to the counties, however, are reasonably comparable.

Cook County, which is in the wealthiest group of counties, received more than $3,000,000.00 each year. This was nearly half of the entire amount of the Distributive

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[1] J. C. Cahill and Basil Jones, op. cit., pp. 7376-77.

TABLE VIII

AMOUNTS RECEIVED BY COUNTIES IN GROUPS FROM STATE DISTRIBUTIVE FUND FOR THE YEARS 1924 , 1927 , AND 1928

County	1924*	1927**	1928***
Marshall	$ 15,262.33	$ 14,759.77	$ 13,586.41
Lee	28,296.91	36,698.04	30,216.32
Stark	8,738.54	11,820.74	9,976.87
Ford	16,185.84	21,777.39	17,466.33
Henderson	9,554.27	11,285.99	9,724.19
Iroquois	39,764.57	46,658.99	39,265.62
Logan	32,926.28	32,761.69	25,575.26
McHenry	35,906.09	40,210.96	29,668.79
Livingston	42,934.79	54,347.67	43,442.11
Woodford	21,065.70	23,012.84	19,419.17
Kendall	9,083.04	13,746.96	10,260.75
Ogle	25,833.73	39,685.23	30,663.16
Adams	59,921.48	63,453.68	47,647.49
Grundy	21,022.62	24,010.04	19,821.89
McLean	73,901.65	81,972.92	67,963.68
Cook (a)	(3,590,677.96)	(3,191,979.56)	(3,035,067.77)
Piatt	16,518.29	22,724.23	19,250.42
LaSalle	111,455.19	100,269.53	87,825.23
Morgan	31,537.60	29,189.08	28,369.15
Warren	20,883.31	31,381.10	24,737.96
Hancock	27,841.06	36,199.99	31,434.17
Lake	89,577.73	93,562.27	70,977.98
Boone	13,867.69	18,435.15	13,541.40
Mercer	19,574.10	22,944.21	20,989.31
Henry	48,293.34	54,940.81	48,759.03
Jo Daviess	21,504.31	25,242.79	19,925.52
First Group	4,432,128.42	4,143.071.63	3,815,575.98
Less Cook Co.	841,450.46	951,092.07	780,508.21
Scott	9,389.84	8,074.37	8,737.90
Edgar	27,348.35	31,994.05	28,535.23
Carroll	18,634.08	26,128.96	21,840.17
Monroe	14,117.64	9,174.17	9,940.16
Champaign	64,182.10	74,569.40	65,551.05
Will	109,405.15	96,719.58	85,185.50
Peoria	107,805.08	106,332.14	94,429.43
DeKalb	30,553.98	46,943.98	34,588.98
McDonough	28,563.03	38,908.47	31,946.31
Menard	11,685.03	11,396.80	11,236.09
Tozewell	43,098.47	50,067.39	45,212.45

TABLE VIII

(cont.)

County	1924	1927	1928
Winnebago	$ 90,735.97	$ 107,313.28	$ 99,539.59
Kankakee	48,815.32	45,247.83	41,505.66
Bureau	50,041.51	52,554.94	48,191.41
Stephenson	37,019.37	41,406.66	35,802.27
Kane	103,154.76	111,643.22	87,999.21
Whiteside	38,983.12	47,580.90	40,149.78
Sangamon	114,683.44	122,476.22	104,123.50
Clinton	30,046.95	14,544.92	17,401.17
Shelby	34,150.69	31,951.31	32,312.79
Knox	45,841.75	62,083.84	56,614.02
DuPage	46,654.33	81,205.91	71,522.53
Moultrie	17,235.35	17,494.02	15,540.90
Brown	8,881.51	11,634.60	12,632.62
Cass	18,579.27	19,389.24	19,274.74
Second Group:	1,149,606.09	1,266,836.20	1,119,813.46
Douglas	22,786.67	27,178.15	23,399.49
DeWitt	21,469.61	25,089.65	22,705.47
Washington	21,887.72	17,716.36	23,789.20
Vermillion	100,337.50	102,058.71	102,224.29
Calhoun	9,875.05	4,007.92	6,029.94
St. Clair	159,563.16	150,793.57	134,786.52
Christian	45,677.07	47,021.07	47,464.65
Putnam	8,809.26	7,883.61	8,123.57
Greene	25,885.75	23,740.22	26,216.18
Montgomery	51,394.44	44,197.33	45,566.14
Effingham	23,665.12	20,887.90	23,607.79
Pike	29,633.66	33,757.64	40,528.46
Rock Island	93,521.85	89,440.52	77.277.98
Lawrence	27,187.71	27,614.21	30,799.21
Jersey	13,306.71	12,660.84	16,655.81
Fulton	56,226.85	61,172.65	61,049.74
Macon	72,883.87	78,692.04	79,802.95
Schuyler	14,423.59	16,199.33	20,463.56
Edwards	10,205.25	7,173.67	7,771.33
Madison	129,749.27	135,095.75	134,156.35
Clark	24,804.08	25,900.67	32,266.12
Bond	18,157.26	20,789.36	25,183.32
Coles	41,423.14	48,638.83	45,813.84
Wabash	16,658.43	12,855.01	14,875.60

TABLE VIII

(cont.)

County	1924	1927	1928
Crawford	$ 28,326.22	$ 25,457.64	$ 28,970.21
Randolph	34,585.89	30,328.72	35,372.98
Third Group	1,102,445.13	1,096,351.37	1,114,900.70
Fayette	34,019.66	28,314.75	37,006.94
Cumberland	15,426.06	21,074.05	24,059.08
Alexander	26,917.32	30,147.95	29,159.81
Mason	17,541.72	21,486.75	19,769.55
Perry	29,585.56	26,906.00	31,221.27
Macoupin	74,263.01	84,829.72	99,796.40
Gollitin	16,768.58	14,103.08	17,025.02
Massac	16,084.76	15,897.61	21,383.16
Richland	15,208.84	17,872.39	28,758.30
Hamilton	21,074.52	17,974.71	26,221.31
Johnson	15,472.63	15,032.42	15,662.21
Clay	22,501.69	25,004.37	30,416.63
Union	24,463.33	23,133.05	28,706.58
Jasper	20,285.30	20,351.27	37,778.63
White	25,508.94	34,138.65	40,759.75
Marion	48,188.74	52,568.63	62,654.44
Pope	12,191.56	16,321.33	22,574.95
Wayne	30,491.68	39,959.49	58,041.54
Jackson	49,188.20	70,378.08	71,570.59
Jefferson	36,684.78	54,933.42	59,116.55
Hardin	9,683.80	8,513.54	10,527.94
Pulaski	18,811.17	18,545.27	27,376.68
Franklin	84,928.28	102,881.92	160,562.95
Saline	54,601.37	62,748.74	101,011.45
Williamson	87,464.80	96,459.00	147,357.06
Fourth Group	807,356.30	919,576.19	1,208,518.79
Total	7,491,535.94	7,425,835.39	7,258,808.93
Less Cook Co.	3,900,857.98	4,233,855.83	4,223,741.16

*Report of State Auditor, 1924, pp. 172-73.

**Report of State Auditor, 1928, pp. 139-41.

***Reports in office of State Auditor, Springfield, Ill.

Fund. For this reason Cook County data have been eliminated from some of the comparisons which follow. It may be well, however, to observe that distributions to Cook County diminished from $3,590,677.96 in 1924 to $3,191,979.56 in 1927, and to $3,035,067.77 in 1928. This was a reduction of $398,698.40 from 1924 to 1927, and a further reduction of $156,911.79 from 1927 to 1928. These reductions are respectively 85 per cent and 45 per cent of the increases accruing to other counties as a result of the changes in the method of apportionment for these years. The total reduction in the state aid received by Cook County was $555,610.19, a percentage of 15.47.

A study of the effect of the different plans, as shown by the group-totals received each year, indicates that the first and wealthiest group of counties received substantially more under the 1927 stimulation basis than under the 1924 census basis, and less under the 1928 equalization basis than under the 1927 plan. The results for the second group are of the same general character as those for the first group. The third group received slightly less in 1927 than in 1924, and slightly more in 1928 than in 1927. The amount of change, however, was not great. The receipts for the fourth group were very materially increased by each succeeding plan.

This study of amounts received by the groups of counties indicated that the first two groups were favored

by the 1923 law operative in the 1927 distribution and were penalized by the 1927 law operative in the 1928 distribution. It shows, further, that the third group was slightly penalized by the 1923 law operative in the 1927 distribution and was slightly favored by the 1927 law operative in the 1928 distribution. The fourth group was favored by the 1927 distribution under the 1923 law and was further favored by the 1928 distribution under the 1927 law.

It is apparent that the 1923 stimulation budget law was most favorable for the first and second groups, the two wealthy groups of counties, and that the 1927 equalization budget law was slightly favorable to the third group and decidedly favorable to the poorest group of counties.

Analysis of Changes Under Three Methods of Distribution

Table IX furnishes a further analysis of the changes which took place in distribution of state-aid funds under the methods in operation in 1924, 1927, and 1928. This table gives a comparison of amounts and percentages of increase or reduction resulting from changing the method of distribution from the 1872 census basis, operative for the last time in 1924, to the budget methods of 1923 and 1927 applied, respectively, to the distributions made for the years 1927 and 1928. The basic data are shown in Table VIII.

The amounts of total increases and reductions shown in Table IX do not balance. This is due to the exclusion

AMOUNT AND PERCENTAGE OF INCREASE OR REDUCTION IN ALLOTMENTS FROM THE STATE DISTRIBUTIVE FUND RESULTING FROM THE CHANGE OF BASIS FROM 1924 TO 1927 AND 1928 BY GROUPS OF COUNTIES BASED UPON THE ASSESSED VALUATION PER PUPIL IN AVERAGE DAILY ATTENDANCE

First Group	1924-1927 Increase Amount	1924-1927 Increase Percentage	1924-1927 Reduction Amount	1924-1927 Reduction Percentage	1927-1928 Increase Amount	1927-1928 Increase Percentage	1927-1928 Reduction Amount	1927-1928 Reduction Percentage
Marshall	$		$ 502.56	3.29	$		$ 1,173.36	7.95
Lee	8,401.13	29.69					6,481.72	17.66
Stark	3,082.20	35.27					1,843.87	15.60
Ford	5,591.55	34.55					4,311.06	19.80
Henderson	1,731.72	18.13					1,561.80	13.84
Iroquois	6,894.42	17.34					7,393.37	15.85
Logan			164.59	.50			7,186.43	21.94
McHenry	4,304.87	11.99					10,542.17	26.22
Livingston	11,412.88	26.58					10,905.56	20.07
Woodford	1,947.14	9.24					3,593.67	15.62
Kendall	4,663.92	51.35					3,486.21	25.36
Ogle	13,851.50	53.62					9,082.07	22.73
Adams	3,532.20	5.89					15,806.19	24.91
Grundy	2,987.42	14.21					4,188.15	17.44
McLean	8,071.27	10.92					14,009.24	17.09
Cook (a)			(398,698.40	11.10)			(156,911.79	4.92)
Piatt	6,205.94	37.57					3,473.81	15.29
LaSalle			11,185.66	10.04			12,444.30	12.41
Morgan			2,348.52	7.45			819.93	2.81
Warren	10,497.79	50.27					6,643.14	12.17
Hancock	8,358.98	30.02					4,765.82	13.17
Lake	3,984.54	4.45					22,584.29	24.14
Boone	4,567.46	32.94					4,893.75	26.55
Mercer	3,370.11	17.22					1,954.90	8.52
Henry	6,647.47	13.76					6,181.78	11.25
Jo Daviess	3,738.48	17.38					5,317.27	21.06
Total	$123,842.94	14.72	$ 14,201.33	1.69			$170,583.86	17.94

TABLE IX

(con't.)

Second Group	1924-1927 Increase Amount	1924-1927 Increase Percentage	1924-1927 Reduction Amount	1924-1927 Reduction Percentage	1927-1928 Increase Amount	1927-1928 Increase Percentage	1927-1928 Reduction Amount	1927-1928 Reduction Percentage
Scott	$		$ 1,315.47	14.01	$ 663.53	8.22	$	
Edgar	4,645.70	16.99					3,458.82	10.81
Carroll	7,494.88	40.22					4,288.79	16.41
Monroe			4,943.47	35.02	765.99	8.35		
Champaign	10,387.30	16.18					9,018.35	12.09
Will			12,685.57	11.60			11,534.08	11.93
Peoria			1,472.94	1.37			11,902.71	11.19
DeKalb	16,390.00	53.64					12,355.00	26.32
McDonough	10,345.44	36.22					6,962.16	17.99
Menard			288.23	2.47			160.71	1.41
Tazewell	6,968.92	16.17					4,854.94	9.70
Winnebago	16,577.31	18.27					7,773.69	7.24
Kankakee			3,567.49	7.31			3,742.17	8.27
Bureau	2,513.43	5.02					4,363.53	8.30
Stephenson	4,387.29	11.85					5,604.39	13.59
Kane	8,488.46	82.29					23,644.01	21.18
Whiteside	8,597.78	22.06					7,431.12	15.62
Sangamon	7,792.78	6.80					18,352.72	14.98
Clinton			15,502.03	51.59	2,856.25	19.64		
Shelby			2,199.38	6.44	361.48	11.31		
Knox	16,242.09	35.43					5,469.82	8.81
DuPage	34,551.58	74.06					9,683.38	11.92
Moultrie	258.67	1.50					1,953.12	11.16
Brown	2,753.09	31.00			998.02	8.58		
Cass	809.97	4.36					114.50	.59
Total	$159,204.69	13.85	$ 41,974.58	3.65	5,645.27	.45	$152,668.01	12.05

TABLE IX

(cont't.)

Third Group	1924-1927 Increase Amount	1924-1927 Increase Percentage	1924-1927 Reduction Amount	1924-1927 Reduction Percentage	1927-1928 Increase Amount	1927-1928 Increase Percentage	1927-1928 Reduction Amount	1927-1928 Reduction Percentage
Douglas	$ 4,391.48	19.27	$		$		$ 3,778.66	13.90
DeWitt	3,620.04	16.86					2,384.18	9.50
Washington			4,171.36	19.06	6,072.84	34.28		
Vermillion	1,721.21	1.72			165.58	.16		
Calhoun			5,867.13	59.41	2,022.02	50.45		
St. Clair			8,769.59	5.50			16,007.05	10.62
Christian	1,344.00	2.94			443.58	.94		
Putnam			925.65	10.51	239.96	3.04		
Greene			2,145.53	8.29	2,475.96	10.43		
Montgomery			7,197.11	14.00	1,368.81	3.10		
Effingham			2,777.22	11.74	2,719.89	13.02		
Pike	4,123.98	13.92			6,770.82	20.06		
Rock Island			4,081.33	4.36			12,162.54	13.60
Lawrence	426.50	1.57			3,185.00	11.53		
Jersey			645.87	4.85	3,994.97	31.55		
Fulton	4,945.80	8.80					122.91	.20
Macon	5,808.17	7.97			1,110.91	1.41		
Schuyler	1,775.74	12.31			4,264.23	26.32		
Edwards			3,031.58	29.71	597.66	8.33		
Madison	5,346.48	4.12					939.40	.70
Clark	1,096.59	4.42			6,365.45	24.58		
Bond	2,632.10	14.50			4,393.96	21.14		
Coles	7.215,69	17.42					2,824.99	5.81
Wabash			3,803.42	22.83	2,020.59	15.72		
Crawford			2,868.58	10.13	3,512.57	13.80		
Randolph			4,257.17	12.31	5,044.26	16.63		
Total	$ 44,447.78	4.03	$ 50,541.54	4.58	$56,769.06	5.18	$ 38,219.73	3.49

(con't.)

Fourth Group	1924-1927 Increase Amount	1924-1927 Increase Percentage	1924-1927 Reduction Amount	1924-1927 Reduction Percentage	1927-1928 Increase Amount	1927-1928 Increase Percentage	1927-1928 Reduction Amount	1927-1928 Reduction Percentage
Fayette	$		$ 5,704.91	16.77	$ 8,692.19	30.70		
Cumberland	5,647.99	36.61			2,985.03	14.16		
Alexander	3,230.63	12.00					988.14	3.28
Mason	3,945.03	22.49					1,717.20	7.99
Perry			2,679.56	9.06	4,315.27	16.04		
Macoupin	10,566.71	14.23			14,966.68	17.64		
Gallatin			2,665.50	15.90	2,921.94	20.72		
Massac			187.15	1.16	5,485.55	34.51		
Richland	2,663.55	17.51			10,885.91	60.91		
Hamilton			3,099.81	14.71	8,246.60	45.88		
Johnson			440.21	2.85	629.79	4.19		
Clay	2,502.68	11.12			5,412.26	21.65		
Union			1,330.28	5.44	5,573.53	24.09		
Jasper	65.97	.33			17,427.36	85.63		
White	8,629.71	33.83			6,621.10	19.39		
Marion	4,379.89	9.09			10,085.81	19.19		
Pope	4,129.77	33.87			6,253.62	38.32		
Wayne	9,467.81	31.05			18,082.05	4.53		
Jackson	21,189.88	43.08			1,192.51	1.69		
Jefferson	18,248.64	49.74			4,183.13	7.61		
Hardin			1,170.26	12.08	2,014.40	23.66		
Pulaski			265.90	1.41	8,831.41	47.62		
Franklin	17,953.64	21.14			57,681.03	56.07		
Saline	8,147.37	14.92			38,262.71	60.98		
Williamson	8,994.20	10.28			50,898.06	52.77		
Total	$129,763.47	16.07	$ 17,543.58	2.17	$291,647.94	31.72	$ 2,705.34	.29
Grand Total	$457,258.88	11.72	$124,261.03	3.19	$354,062.27	8.36	$364,176.94	8.60

[a] Excluded from computations.

of the deductions to Cook County and to the reduced amounts distributed to the counties in 1927 and 1928.

The comparisons made in Table IX show that in making the change of method of distribution of the state school fund from the census basis in use in 1924 to the stimulation basis used for 1927, the first group of counties, exclusive of Cook County, received an increase of $123,842.94 for 21 counties, and a reduction of $14,201.33 for 4 counties The net increase was $109,641.61, a percentage of 13.03. The 21 counties received an increase of 14.72 per cent, and the 4 counties suffered a reduction of 1.69 per cent.

In the second group, 17 counties received a 13.85 per cent increase, which amounted to $159,204.69, and 8 counties suffered a 3.65 per cent reduction, which amounted to $41,974.58. The total net increase was $117,230.11 or 10.20 per cent.

The third group received 4.03 per cent increase or $44,447.78 for 13 counties and experienced 4.58 per cent reduction or $50,541.54 for 9 counties. The result was a .55 per cent group reduction amounting to $6,093.76.

The fourth and poorest group received an increase of 16.07 per cent or $129,763.47 for 16 counties and a reduction of 2.17 per cent of $17,543.58 for 9 counties. The fourth group received a net group increase of $219.89 or 13.90 per cent.

The percentages of net increase for the first, second, and fourth groups were 13.03, 10.20, and 13.90, respectively.

The percentage of reduction for the third group was .55.

It appears from these comparisons that the change from the census basis of distribution used in 1924 to the stimulation basis used for 1927 was about equally beneficial to the first, second, and fourth groups of counties, but was slightly detrimental to the third group of counties.

In the change of distribution plan from the stimulation basis, operative for 1927, to the equalization basis, used for 1928, all but 5 counties of the first and second groups experienced signal reductions in the amounts received. In the first group, all counties received sharp reductions. The total amount of decrease was $170,583.86 or 17.94 per cent. In the second group, there were 5 counties receiving slight increases and 21 counties receiving reductions. The increase in the 5 counties amounted to $5,645.27, a percentage of .45, and the reduction for the 21 counties amounted to $152,668.01, a percentage of 12.05. The net reduction for the second group amounted to $147,022.72, a percentage of 11.60.

Of the 51 counties in the third and fourth groups, all but 9 received increased amounts. Of the latter counties, 7 were in the third group and 2 were in the fourth group. The reduced amounts received by St. Clair and Rock Island counties of the third group were large;

namely, $16,007.05 or 10.62 per cent, and $12,162.54 or 13.60 per cent, respectively, less than they received under the 1927 distribution. These counties contain the large cities of East St. Louis and Rock Island.

The increase for 19 counties in the third group was $56,769.06, a percentage of 5.18, and the reduction for 7 counties was $38,219.73, a percentage of 3.49. The third group had a total net increase amounting to $18,549.33, a percentage of 1.69.

The increase for 23 counties in the fourth group was $291,547.94, a percentage of 31.72, and the reduction for 2 counties was $2,705.34, a percentage of .29. The total net increase was $288,942.60, a percentage of 31.43.

To summarize, the first and second groups of counties experienced reductions of 17.94 and 11.65 per cent, respectively. The third group received a slight increase of 1.69 per cent, and the fourth group received 31.43 per cent increase.

From the comparison of the amounts received under the change of basis of distribution from 1927 to 1928, it appears that the first and second groups of counties, the wealthier groups, experienced sharp reductions. The third group as a whole had a slight increase, despite severe reductions to two counties containing large cities. Reduction in these two counties was due to the fact that East St. Louis and Rock Island are relatively large cities, and that they supplied sufficient income from the wealth supporting each child in average daily attendance so that no claims could be made for

special equalization aid. Exclusive of the counties containing the two large cities, the third group of counties received a substantial increase. The fourth group received a very large increase with only 2 counties suffering slight reductions.

Table X gives a summary comparison of the percentage of net increase or reduction in the amount received by each group of counties in the change of distribution basis from 1924 to 1927 and from 1927 to 1928. In considering the percentages, it must be remembered that Cook County was excluded from the calculation; also, that the actual percentage of increase in the final amounts distributed to counties in 1927, exclusive of Cook County, was 8.54 per cent, and that a .24 per cent reduction took place in the 1928 distribution.

With the foregoing facts in mind, it appears from Table X that the change of distribution basis from 1924 to 1927 was favorable to the counties of the first, the second, and the fourth groups, while having little effect on the counties of the third group. It further shows that the change from 1927 to 1928 was decidedly favorable to the counties of the fourth group and was unfavorable to those of the first and second groups. Only a slight increase was received by the third group of counties, but most of the counties in this group were furnished increased aid.

TABLE X

PERCENTAGES OF NET INCREASE OR REDUCTION RECEIVED BY THE GROUPS OF COUNTIES IN THE CHANGE OF DISTRIBUTION BASIS FROM 1924 TO 1927 AND FROM 1927 TO 1928

Groups	1924-1927** Percentage Increase	1924-1927** Percentage Reduction	1927-1928** Percentage Increase	1927-1928** Percentage Reduction
First*	13.03			17.94
Second	10.20			11.60
Third		.55	1.69	
Fourth	13.90		31.43	

* Less Cook County -- Cook County decrease was 15.47 per cent.

** The actual increase in the amount distributed in 1927 was 8.54 per cent, exclusive of Cook County. An actual reduction in the amount distributed in 1928 amounted to .24 per cent, exclusive of Cook County.

Table XI presents the increases and the reductions in terms of the number of counties affected in each group of counties for 1924 and 1927, and for 1927 and 1928. In the change of the distribution plan from the census basis used in 1924 to the stimulation basis used in 1927, 66.34 per cent of the counties, 67 in number, received increased amounts, while 33.66 per cent of the counties, 34 in number, excluding Cook County which had a decided reduction, received reduced amounts. The first and wealthiest group of counties profited most by the change. Twenty-one of its twenty-five counties, excluding Cook County, received increased amounts. Seventeen of the 25 counties in the second group received increases, and 8 suffered reductions. The third group had an equal number of counties subject to increases and reductions. The counties of the fourth group were divided so that 16 received increases and 9 suffered reductions.

In the change of the distribution plan from the stimulation basis in operation for 1927 to the equalization basis used for 1928, a percentage of 46.54 of the counties, 47 in number, received increased amounts; and 54 counties, excluding Cook County, or 53.46 per cent, received reduced amounts. In the first and wealthiest group, all the counties received reduced amounts. Twenty of the 25 counties in the second group likewise received reduced amounts.

TABLE XI

NUMBER AND PERCENTAGE OF COUNTIES BY GROUPS RECEIVING INCREASED AND REDUCED AMOUNTS RESULTING FROM CHANGES IN THE STATE DISTRIBUTION BASIS FROM 1924 TO 1927 AND FROM 1927 TO 1928

Groups	Number of Counties	1924-1927* Increase		1924-1927* Reduction		1927-1928* Increase		1927-1928* Reduction	
		No.	Percentage	No.	Percentage	No.	Percentage	No.	Percentage
First**	25**	21	84.00	4	16.00	0	0.00	25	100.00
Second	25	17	68.00	8	32.00	5	20.00	20	80.00
Third	26	13	50.00	13	50.00	19	73.08	7	26.92
Fourth	25	16	64.00	9	36.00	23	92.00	2	8.00
Totals	101**	67	66.34	34	33.66	47	46.54	54	53.46

* Data from Table IX.

** Exclusive of Cook County.

Nineteen of the 26 counties in the third group and we of the 25 counties in the fourth group received increased amounts.

Figure 4 helps to clarify these relationships. It shows the number of counties by groups receiving increases and the number whose apportionment was reduced as a result of the change of distribution basis from 1924 to 1927 and from 1927 to 1928. It is very apparent that, in so far as number of counties is concerned, the change from the census basis of distribution used in 1924 to the stimulation basis for 1927 was most beneficial to the counties in the two wealthier groups. It is likewise apparent that the change of distribution basis from 1927 to 1928 was beneficial to the counties in the two poorer groups. In the latter change, losses were sustained by all of the counties of the first group and 80 per cent of those in the second group; while 73 per cent of the counties of the third group and 92 per cent of those in the fourth group received larger apportionments.

Chapter Conclusions

In the light of the distributions of 1924, 1927, and 1928, it appears that the 1927 distribution aided the first, the second, and the fourth groups of counties. It should be remembered, however, that Cook County, which is not included in the table, suffered a reduction of 15.47

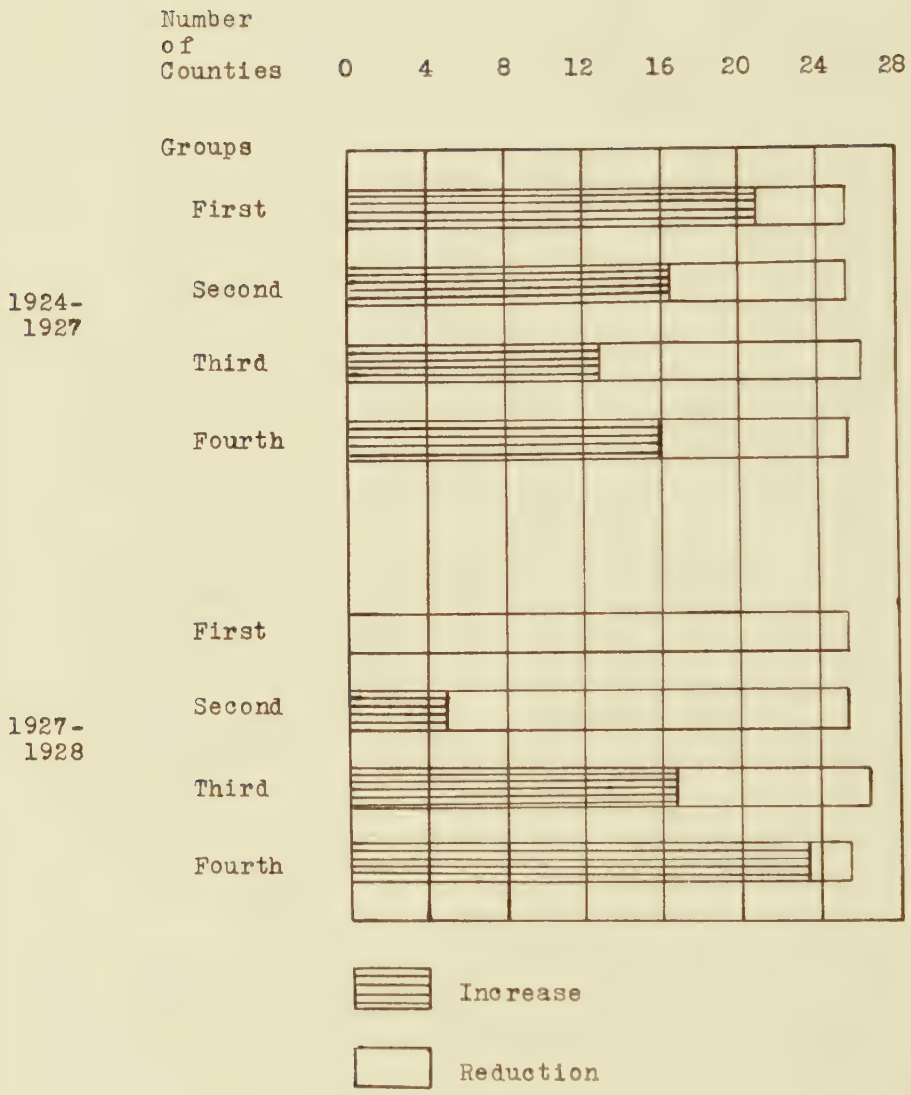

Fig. 4.- Number of counties by groups showing increases and reductions under the change of distributive basis from 1924 to 1927 and from 1927 to 1928.

per cent in its receipts from the Distributive Fund. Little change was made in the help furnished to the third group of counties. Indeed, that group suffered a .55 per cent decrease on the amount received from the state.

It further appears that the 1928 distribution gave more help to the counties in the two lower groups and reduced the receipts to the counties of the two wealthier groups. Apparently, this plan worked in the direction of furnishing greatest aid to the weaker counties. The increase in the amount of the distribution to the third group was only 1.69 per cent. However, Table XI shows that 19 of the 26 counties received increases.

The data seem to indicate that the equalization basis of distribution used in 1928 was superior to the stimulation basis used in 1927, because the counties in the poorest group, except two, received substantial increases; and the counties in the wealthy first and second groups experienced rather marked reductions. Neither plan helped the counties of the third group as a group, but 19 of the 26 counties received substantially increased aid.

CHAPTER V

THE EQUALIZATION FACTOR IN THE 1928 DISTRIBUTION

In order to ascertain just how well the distributive method in operation for the 1928 budget, paid in the spring of 1929, functioned with reference to the true needs of the counties, twelve counties were selected for more detailed study. Three counties were chosen from each of the groups of counties of the state based upon the amount of full assessed valuation supporting each child in average daily attendance for the school year ending June, 1928. The same arrangement of groups of counties was used as in the previous portion of the study. Of the three counties selected, one each was chosen from the upper, middle and lower third of the group.

Figure 5 shows the distribution of the twelve selected counties on the map of Illinois. It will be seen that these twelve counties represent reasonably well the different geographical sections of the state. Also, they represent the amount of full assessed valuation supporting each child in average daily attendance in the four groups of counties of the state.

The twelve sample counties were visited, and data were secured from the records in the offices of the several county superintendents. The reportable data were finally checked with the summary reports filed by each of the county superintendents with the office of the

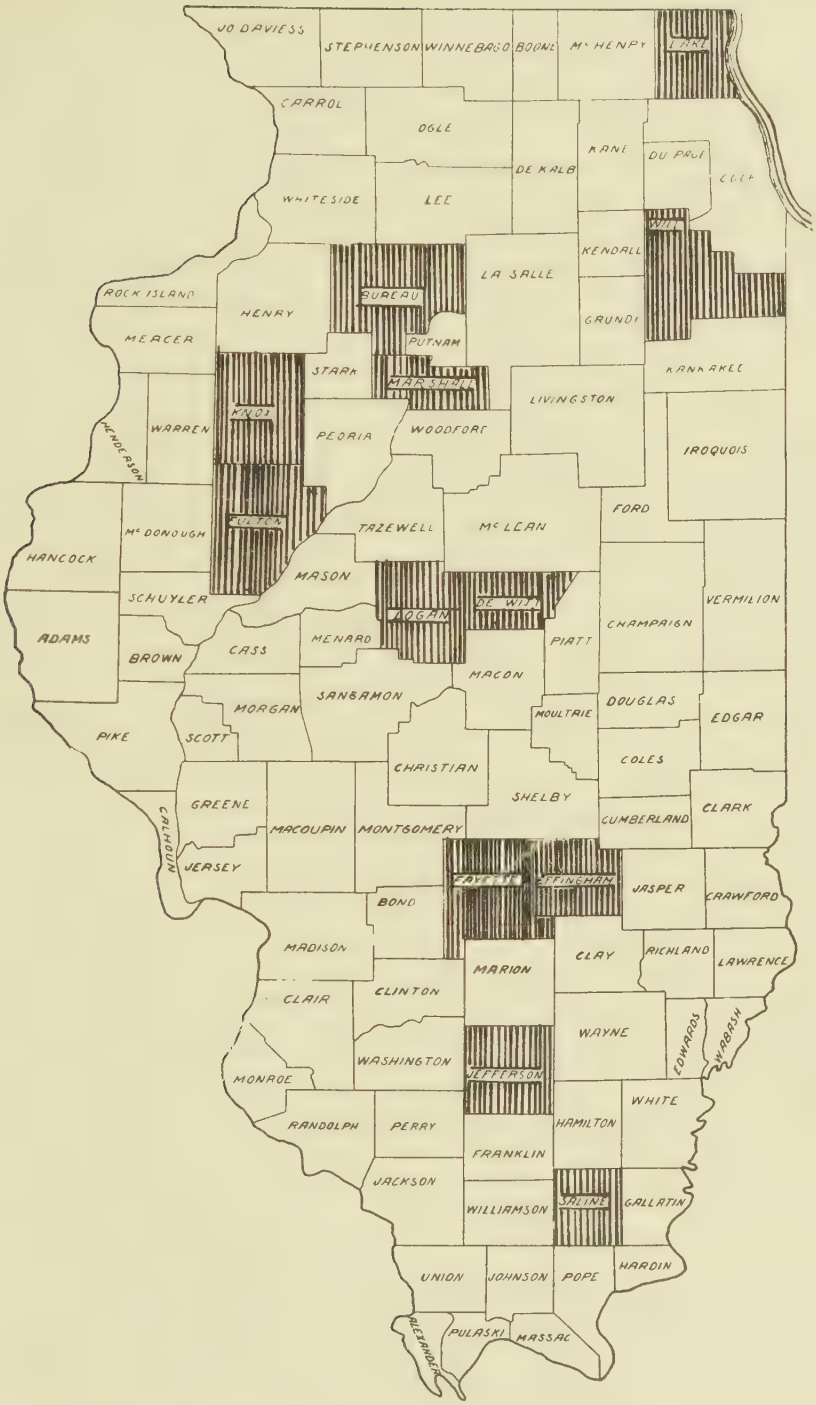

Fig. 5.- Map of Illinois showing the distribution of the twelve selected counties.

State Superintendent. The reports to the state office agreed in every instance with data secured from the records of the several county superintendents. The details, however, could be secured only from the records in the county offices.

Study of Claims for Special Equalization Aid

As stated in Chapter II, the apportionment plan under which the Distributive Fund was alloted to the several counties for the 1928 budget provided for two major items; namely, nine dollars for each weighted pupil in average daily attendance, and an amount for special equalization aid which would enable the district to conduct school for eight months each year with a total current expense of not less than $850.00, provided that a one per cent educational tax had been levied upon the full assessed valuation.

Table XII gives the amount and the percentage of claims for apportionment and for special equalization aid in relation to the total claim for the twelve counties in the 1928 Distributive Fund budget. This table shows that 86.87 per cent of the amount of the claims was for apportionment on the basis of pupil attendance, while 13.13 per cent was for claims for special equalization aid. It further shows that those counties asking the greatest percentage of equalization aid belong to the lower two groups of counties of the

TABLE XII

AMOUNT AND PERCENTAGE OF CLAIMS FOR GENERAL APPORTIONMENT AND FOR SPECIAL EQUALIZATION AID IN RELATION TO THE TOTAL CLAIM FOR TWELVE SELECTED COUNTIES IN THE 1928 DISTRIBUTIVE FUND BUDGET

Counties**	Total Claim	Apportionment on Basis of Number of Pupils in Average Daily Attendance		Claim for Special Equalization Aid	
	Amount*	Amount*	Percentage of Total Claim	Amount*	Percentage of Total Claim
Marshall	$ 21,292.38	$ 21,200.58	99.57	$ 91.80	.43
Logan	37,855.77	37,855.77	100.00		
Lake	96,457.77	96,457.77	100.00		
Will	112,336.56	111,287.07	99.07	1,049.49	.93
Bureau	64,108.87	60,239.61	93.96	3,869.26	6.04
Knox	74,341.14	71,546.31	96.24	2,794.83	3.76
DeWitt	31,357.91	31,171.86	99.41	186.05	.59
Effingham	31,904.88	25,036.38	78.47	6,868.50	21.53
Fulton	77,411.89	68,047.20	87.90	9,364.69	12.10
Fayette	47,415.45	38,277.45	80.73	9,138.00	19.27
Jefferson	72,288.25	53,585.73	74.13	18,702.52	25.87
Saline	118,962.50	67,878.90	57.06	51,083.60	42.94
Total	$785,733.37	$682,584.63	86.87	$103,148.74	13.13

* Data from district reports in the offices of the county superintendents.

** Three counties were taken from each group of the counties of the state based upon the amount of assessed valuation supporting each child in average daily attendance.

state as based upon the amount of full assessed valuation supporting each child in average daily attendance. Logan and Lake counties from the upper group made no claim for special equalization aid. Marshall County from the same group claimed a percentage of only .43 for the same purpose. On the other hand, the counties of Effingham, Fulton, Fayette, Jefferson, and Saline, all from the lower two groups, claimed percentages for special equalization aid ranging from 12.10 for Fulton County to 42.94 for Saline County. Four of these five counties claiming relatively large percentages of special equalization aid are located well below the center of the state.

Figure 6 presents a graphic picture of the relative percentage of the Distributive Fund claimed by the twelve selected counties for special equalization aid. This figure helps to reinforce the facts shown in Table XII.

The least that should be accomplished by a distribution plan designed to support a minimum state program is the guarantee of full payment of the special equalization claims. This would provide the necessary operating costs for each district. Table XIII gives the amount claimed and received, and the amount and the percentage of reduction in special equalization aid for the twelve selected counties for the 1928 budgetary allotment of the Distributive Fund. Of the $103,148.74 claimed, the

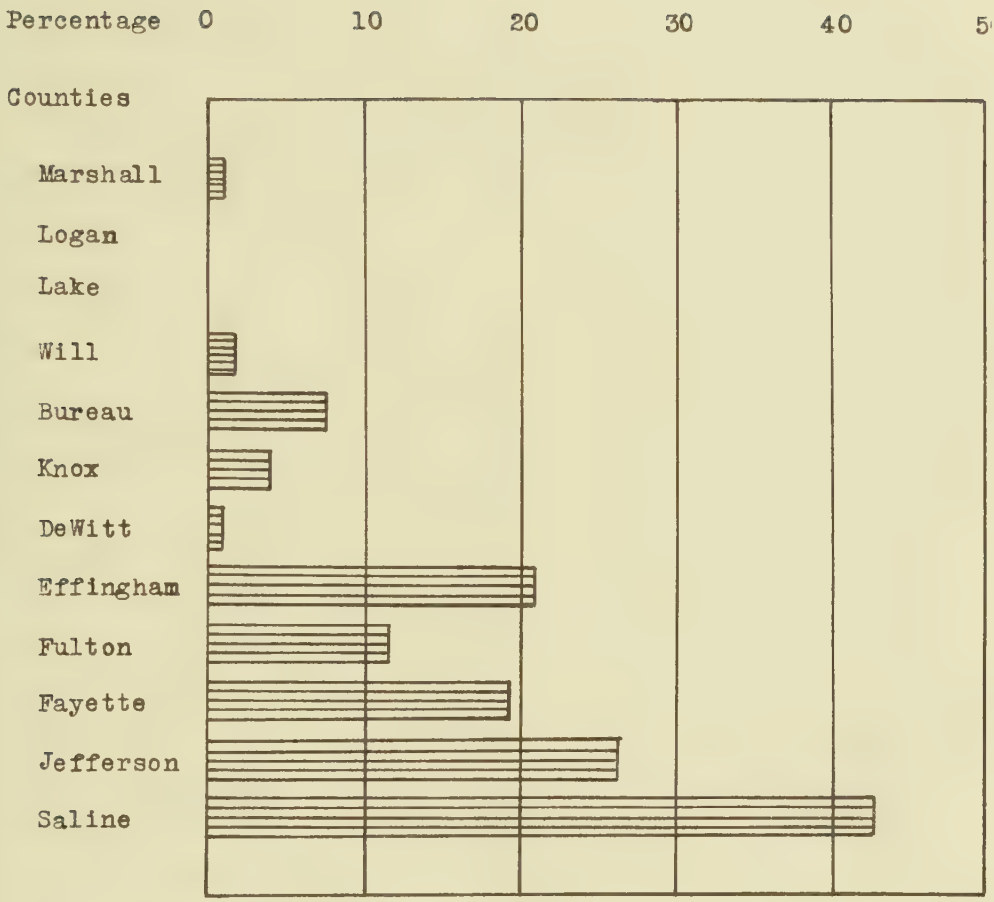

Fig. 6.- Percentage of total claim made for special equalization aid by twelve selected counties for the 1928 budget.

TABLE XIII

AMOUNT CLAIMED AND RECEIVED AND AMOUNT AND PERCENTAGE OF REDUCTION IN SPECIAL EQUALIZATION AID FOR TWELVE SELECTED COUNTIES BY THE 1928 ALLOTMENT OF THE DISTRIBUTIVE FUND

Counties	Amount Claimed*	Amount Received **	Amount of Reduction	Percentage of Reduction
Marshall	$ 91.80	$ 58.58	$ 33.22	36.19
Logan	-	-	-	-
Lake	-	-	-	-
Will	1,049.49	795.83	253.66	24.17
Bureau	3,869.26	2,908.52	960.74	24.83
Knox	2,794.83	2,128.26	666.57	23.85
DeWitt	186.05	134.72	51.33	27.59
Effingham	6,868.50	5,082.00	1,786.50	26.01
Fulton	9,364.69	7,384.99	1,979.70	21.14
Fayette	9,138.00	7,132.21	2,005.79	21.95
Jefferson	18,702.52	15,294.92	3,407.60	18.22
Saline	51,083.60	43,375.08	7,708.52	15.09
Total	$103,148.74	$ 84,295.11	$18,853.63	18.28

* Reports in offices of County Superintendents.
** Ibid.

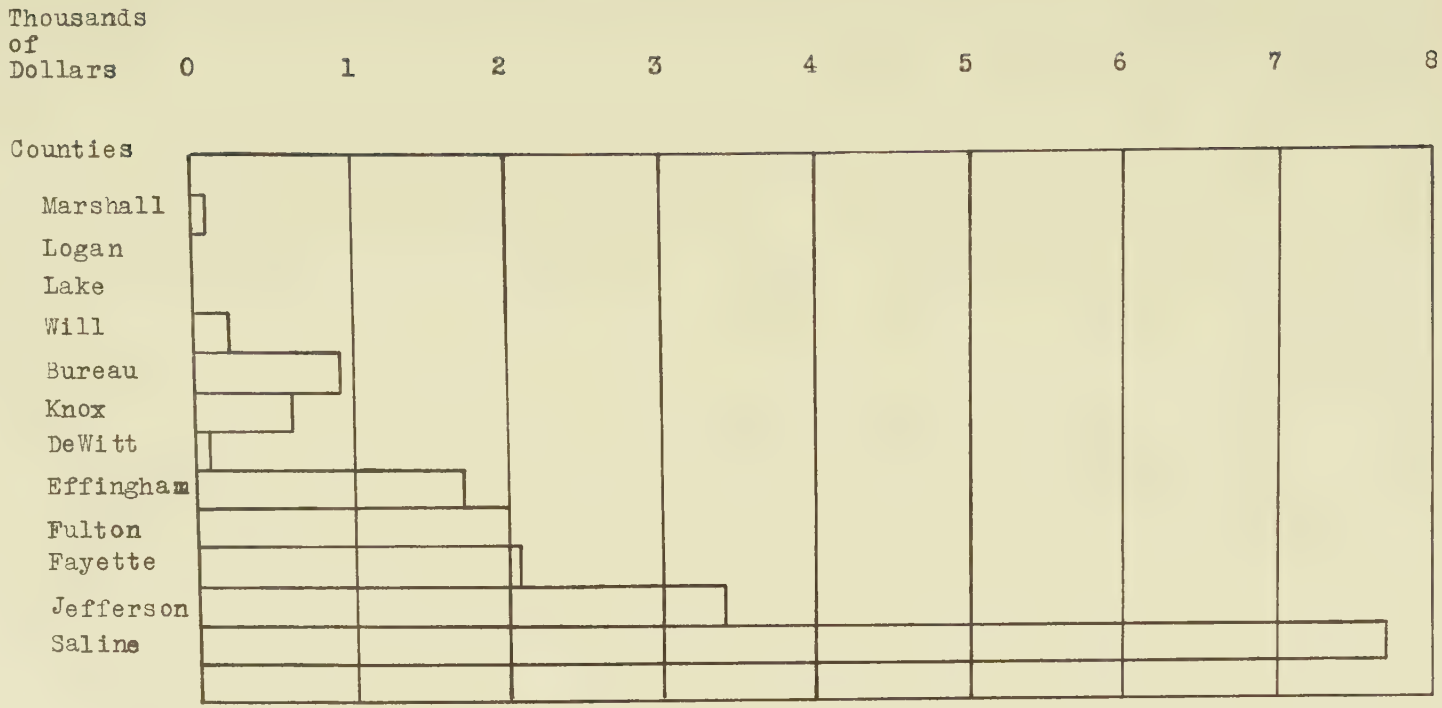

Fig. 7.- Amount of reduction, in thousands of dollars, from the amount claimed for special equalization aid from the 1928 Distributive Fund for twelve selected counties.

sum of $84,295.11 was paid. The amount of reduction was $18,853.63, a percentage of 18.28. The percentage of reduction decreases, in general, from the wealthier to the poorer counties, but the amount of reduction is greater for the poorer counties. This is because the claims of the poorer counties are greater in amount than those of the wealthier counties.

Figure 7 shows graphically the amount of reduction, in thousands of dollars, from the amount claimed for special equalization aid from the 1928 Distributive Fund for the twelve selected counties. This diagram shows that of the six counties representing the lower two groups of counties, five suffered marked reductions. DeWitt County made but small claims for special equalization aid. Jefferson and Saline counties made the largest claims. They are representative of the poorest group of counties. The amounts of reduction are of unusual importance in this situation, because the special equalization aid claims represent amounts necessary to maintain schools for the minimum term.

The effect of the reduction of claims for special equalization aid is shown in Table XIV for Will, Bureau, Jefferson, and Saline counties. This table shows that the deductions are of different percentages for different counties. This is due to the

TABLE XIV

AMOUNT CLAIMED, AMOUNT RECEIVED, AND AMOUNT AND PER CENT OF REDUCTION FOR THE DISTRICTS CLAIMING SPECIAL AID IN WILL, BUREAU, JEFFERSON, AND SALINE COUNTIES

	Special Aid		Reduction	
	Claimed	Received	Amount	Per cent
Will County				
District				
1	371.27	281.53	89.74	24.17
8	305.22	231.45	73.77	24.17
45	373.00	282.85	90.15	24.17
Bureau County				
43	13.05	9.81	3.24	24.83
50	260.20	195.59	64.61	24.83
94	1145.91	861.38	284.53	24.83
96	285.94	214.94	71.00	24.83
98	680.75	511.72	169.03	24.83
99	1483.41	1115.08	368.33	24.83
Jefferson County				
5	158.65	129.74	28.91	18.22
7	379.15	310.07	69.08	18.22
11	342.75	208.30	62.45	18.22
12	158.15	129.34	28.81	18.22
20	282.20	230.78	51.42	18.22
23	322.90	264.07	58.83	18.22
135	386.95	316.45	70.50	18.22
137	403.15	329.70	73.45	18.22
33	331.05	270.73	60.32	18.22
34	375.91	307.42	68.49	18.22
37	334.80	273.80	61.00	18.22
38	345.55	282.59	62.96	18.22
200	331.65	271.22	60.43	18.22
42	316.75	259.04	57.71	18.22
44	414.25	338.77	75.48	18.22
45	58.36	47.73	10.63	18.22
56	360.12	294.51	65.61	18.22
60	125.23	102.42	22.81	18.22
61	307.55	251.51	56.04	18.22
64	94.65	77.40	17.25	18.22
67	232.45	190.10	42.35	18.22
68	235.60	192.67	42.93	18.22
73	263.85	215.78	48.07	18.22
74	349.55	285.86	63.69	18.22
77	445.60	354.71	81.19	18.22
85	498.85	407.96	90.89	18.22
86	373.10	305.12	67.98	18.22
87	350.15	286.35	63.80	18.22

TABLE XIV

(cont'd.)

	Special Aid		Reduction	
	Claimed	Received	Amount	Per cent
Jefferson County (con't.)				
District				
133	310.30	253.76	56.54	18.22
88	490.35	401.01	89.34	18.22
89	257.40	210.50	46.90	18.22
90	288.90	236.26	52.64	18.22
92	266.40	217.86	48.54	18.22
94	603.93	493.89	110.04	18.22
95	291.80	238.63	53.17	18.22
96-	334.90	273.88	61.02	18.22
97	411.55	336.57	74.98	18.22
98	418.80	342.49	76.31	18.22
101	479.85	392.42	87.43	18.22
102	418.10	341.92	76.18	18.22
103	466.00	381.09	84.91	18.22
104	445.90	364.66	81.24	18.22
106	511.70	418.47	93.23	18.22
107	443.85	362.98	80.87	18.22
110	326.35	266.89	59.46	18.22
111	358.15	292.90	65.25	18.22
114	249.65	204.16	45.49	18.22
117	431.60	352.96	78.64	18.22
121	289.25	236.55	52.70	18.22
122	444.82	363.77	81.05	18.22
124	277.75	227.14	50.61	18.22
127	228.45	186.83	41.62	18.22
129	445.50	364.33	81.17	18.22
130	322.45	263.70	58.75	18.22
132	309.90	253.44-	56.46	18.22
Saline County				
2	458.20	389.06	69.14	15.09
3	544.60	462.48	82.12	15.09
4	362.05	307.42	54.63	15.09
6	35.70	30.31	5.39	15.09
7	172.00	146.05	25.95	15.09
8	474.90	403.24	71.66	15.09
9	474.75	403.11	71.64	15.09
11	184.70	156.83	27.87	15.09
19	130.00	110.38	19.62	15.09
20	4592.70	3899.16	693.04	15.09
21	1128.50	958.21	170.29	15.09
23	386.95	328.56	58.39	15.09
24	154.25	130.98	23.27	15.09

TABLE XIV

(cont'd.)

	Special Aid		Reduction	
	Claimed	Received	Amount	Per cent
Saline County (cont.) District				
25	291.00	247.09	43.91	15.09
26	213.30	181.11	32.19	15.09
27	296.80	252.01	44.79	15.09
28	459.45	390.12	69.33	15.09
29	399.60	339.30	60.30	15.09
30	529.40	449.51	79.89	15.09
31	323.70	274.35	48.85	15.09
32	371.70	115.61	56.09	15.09
34	278.95	236.86	42.09	15.09
36	183.10	155.47	27.63	15.09
37	231.80	196.82	34.98	15.09
39	287.30	243.95	43.35	15.09
43	5322.75	4519.55	803.20	15.09
45	428.05	363.46	64.59	15.09
46	635.50	539.60	95.90	15.09
47	497.30	422.26	75.04	15.09
48	135.40	114.97	20.43	15.09
49	869.70	738.46	131.24	15.09
50	179.40	152.33	27.07	15.09
52	384.25	226.27	57.98	15.09
53	465.85	395.55	70.30	15.09
54	518.80	440.51	78.29	15.09
55	675.50	573.57	101.93	15.09
56	659.10	559.64	99.46	15.09
57	126.65	107.54	19.11	15.09
59	200.20	169.99	30.21	15.09
64	85.70	72.77	12.93	15.09
65	1467.10	1245.71	221.39	15.09
66	3716.25	3255.47	560.78	15.09
67	8673.95	7365.05	1308.90	15.09
69	753.70	639.97	113.73	15.09
70	213.40	181.20	32.20	15.09
75	743.40	631.22	112.18	15.09
76	913.50	775.65	137.85	15.09
78	348.80	296.17	52.63	15.09
79	507.70	431.09	76.61	15.09
80	541.80	460.04	81.76	15.09
81	335.40	284.79	50.61	15.09
86	460.70	391.18	69.52	15.09
89	349.65	296.89	52.76	15.09
95	5412.15	4595.46	816.69	15.09
97	1317.65	1118.82	198.83	15.09
98	890.70	756.30	134.40	15.09
99	288.20	244.71	43.49	15.09

fact that, after allotments are made to the counties, deductions are made for salaries for county superintendents according to legal schedule and for the county contribution to the Teachers Pension Fund, which is based upon the assessed valuation of each county. The table further shows that the amounts of deduction are sufficiently large to weaken many districts in their ability to support the minimum program.

Relation of Effort and Special Equalization Claim

The twelve selected counties were studied to determine what effort to raise school funds was made by the districts. Table XV shows the number and the percentage of elementary school districts, by counties, levying $1.00 per $100.00 of full assessed valuation, and the number and the percentage of the districts claiming and receiving special equalization aid. In 1928 there were 1512 elementary school districts in the twelve selected counties. Of these, 380 districts made the required $1.00 levy for educational purposes. This is a percentage of 25.13. Of the districts making the required levy, 222 claimed and received special equalization aid, a percentage of 58.42.

Table XV further shows that those counties representative of the poorer half of the counties in the

state made the greater number of district claims for special equalization aid. Also, the data indicate that the districts in the counties in the poorer half of the state made proportionally greater efforts as is shown by the percentage of districts within the counties which made a levy of $1.00 or more per $100.00 of full assessed valuation. Figure 8 presents the data graphically.

From Table XV and Figure 8, it seems reasonable to conclude that the counties which had the greatest need for special equalization aid were the counties which made the greatest effort to raise school funds.

Budget Claims and Size of Schools

Another phase of the study aimed to determine whether or not the counties which made the greater claims for special equalization aid contained a larger number of schools having a small average daily attendance of pupils than the number of those counties which made claims of lesser amounts for the same purpose. Table XVI shows the number of elementary school districts, by counties, and the number and the percentage of districts reporting less than nine pupils in average daily attendance for the school year ending June, 1928. In selecting the unit of measure, less than nine pupils in average daily attendance,

TABLE XV

NUMBER OF ELEMENTARY SCHOOL DISTRICTS PER COUNTY, NUMBER AND PERCENTAGE OF DISTRICTS LEVYING $1.00 PER $100.00 OF FULL ASSESSED VALUATION, AND NUMBER AND PERCENTAGE OF DISTRICTS CLAIMING AND RECEIVING SPECIAL EQUALIZATION AID FOR TWELVE SELECTED COUNTIES FOR THE 1928 BUDGET

Counties	Number of Elementary School Districts*	Number of Districts Levying $1.00 rate*	Number of Districts Claiming Special Aid*	Percentage of Districts Levying $1.00 rate	Percentage of Districts Claiming Special Aid
Marshall	80	5	1	6.25	1.25
Logan	116	0	0	-	-
Lake	93	24	0	25.81	-
Will	170	20	3	11.76	1.76
Bureau	156	15	6	9.62	3.85
Knox	160	30	14	18.75	8.75
DeWitt	94	1	1	1.06	1.06
Effingham	78	27	17	34.62	21.79
Fulton	192	58	34	30.21	17.71
Fayette	145	55	36	37.93	24.83
Jefferson	139	69	55	49.64	39.57
Saline	89	76	57	85.39	64.04
Total	1512	380	222	25.13	14.68

* District reports in offices of County Superintendents.

Fig. 8.- Percentage of districts levying $1.00 per $100.00 of full assessed valuation and the percentage of districts claiming special equalization aid.

consideration was given to the fact that the 1927 distributive law, under which allotments were made for the 1928 budget, provided for a weighting of eighteen pupils for schools having less than that number in average daily attendance, as previously explained in Chapter II.

There were 1512 elementary school districts in the twelve selected counties for the school year ending June, 1928. Of these, 247 had less than nine pupils in average daily attendance, a percentage of 16.34. Furthermore, the number and the percentage of such schools in the counties representing the two lower and poorer groups are, with the exception of Fulton County, less than for the two upper and wealthier groups, as shown by Table XVI and Figure 9. Fulton County is located well above the middle of the state, and it reflects the practice of neighboring counties in providing many small school districts.

Chapter Conclusions

The data in this chapter seem to warrant the following conclusions: (1) that the larger claims of special equalization aid for the 1928 budget were made by counties representative of the two lower and poorer groups of counties; (2) that the same groups experienced the greater reduction in the amounts of special equalization

TABLE XVI

NUMBER OF ELEMENTARY SCHOOL DISTRICTS BY COUNTIES FOR THE TWELVE SELECTED COUNTIES AND THE NUMBER AND PERCENTAGE REPORTING LESS THAN NINE PUPILS IN AVERAGE DAILY ATTENDANCE FOR THE SCHOOL YEAR ENDING JUNE, 1928.

Counties	Number of Elementary School Districts*	Elementary School Districts Reporting Less than 9 pupils in Average Daily Attendance	
		Number*	Percentage
Marshall	80	23	28.75
Logan	116	18	15.52
Lake	93	17	18.28
Will	170	32	18.82
Bureau	156	27	17.31
Knox	160	38	23.75
DeWitt	94	10	10.64
Effingham	78	8	10.25
Fulton	192	37	19.27
Fayette	145	14	9.65
Jefferson	139	12	8.63
Saline	89	11	12.36
Total	1512	247	16.34

*District reports in offices of County Superintendents.

Ibid.

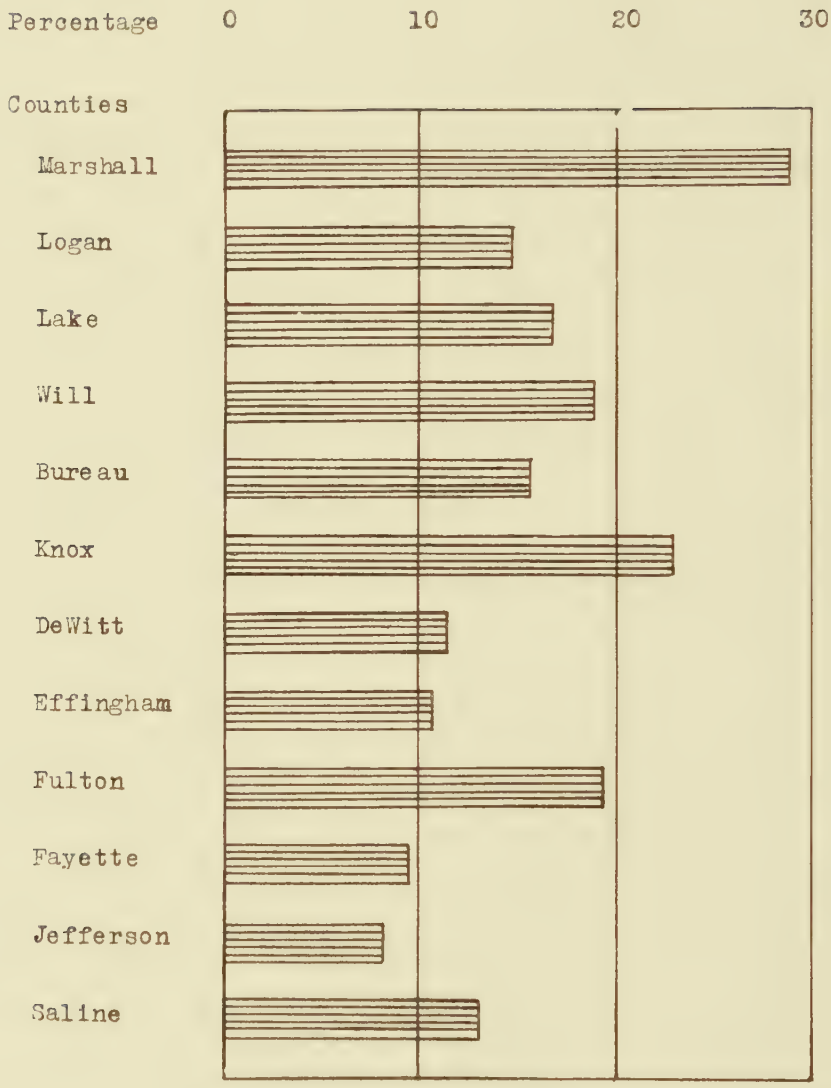

Fig. 9. - Percentage of districts reporting less than nine pupils in average daily attendance for twelve selected counties.

aid claimed; (3) that these groups made the greater effort as measured by the percentage of districts levying one per cent of full assessed valuation for educational purposes; and (4) that the same groups contained fewer small schools of less than nine pupils than the upper two groups.

CHAPTER VI

AUDITOR'S PROCEDURE IN MAKING DISBURSEMENTS OF THE DISTRIBUTIVE FUND

A study was made of the procedure used by the Auditor of Public Accounts in making disbursements of the Distributive Fund. Not only was the general legal basis examined, but a detailed study was made of the procedure as it relates to the twelve selected counties which have been used in this study as representative of the groups of counties of the state based upon the assessed valuation supporting each pupil in average daily attendance for the school year ending June, 1928.

The total amount of the Distributive Fund used in the spring of 1929 for the payment of the 1928 budget claims was $8,057,000.00. The annual appropriation was $8,000,000,[1] and the interest on the Permanent School Fund was $57,000.00.[2]

Original Deduction

The disbursements made by the Auditor conformed to the several legal provisions of the 1927 law which applied to payments made from the fund for 1928. An original deduction from the undivided fund was made to pay equivalent taxes to certain districts which included

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[1] Session Laws of Illinois, 1927, p. 40.

[2] Report of State Auditor, 1930, p. 152.

state property used by state institutions.

The law provided that a sum equivalent to the amount which would be yielded by the local school tax should be paid upon state owned land, provided, the land constituted at least one-eighth of the school district area, the district contained less than one thousand inhabitants, and children of families employed by the state and living on the state land attended the district school. The section of the law relating to this practice follows:

> When any State institution is located in a school district having fewer than one thousand inhabitants and the State owns one-eighth or more of the total land area of such district, and the pupils who are members of families employed in said institution attend the public school in said district, there shall be set aside by the Auditor annually and paid into the State Treasury the sum hereinafter named, and the Auditor shall draw his warrant upon the State Treasurer for the payment of said sum to the Board of Directors of said school district.[1]

In the 1928 budget, claims were made for such districts by five counties: namely, Kane, Madison, Peoria, Fayette, and Union. The deduction for this purpose was $2,143.53.[2]

Adjustment of Claims to Distributive Fund

After the foregoing deduction, the remaining

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[1] J. C. Cahill, Illinois Statutes Revised, 1929, Chap. 122, Sec. 335(d), p. 1146.

[2] Biennial Report of the Auditor of Public Accounts, 1930, p. 152.

amount[1] of the Distributive Fund was apportioned to the 1928 county claims. The law provided that the county school claims should be adjusted to the fund available to pay them.[2] The total county claims in the 1928 budget amounted to $9,037,195.93.[3] The available amount for distribution, after deducting the $2,143.53 allotted for payment of equivalent taxes on state lands within school districts, was $8,054,856.47. The adjustment ratio used by the Auditor was .8913004 to 1.[4] This adjustment amounted to a total reduction of budget claims by slightly less than eleven per cent.

The school law directed the Auditor to pay to the State Treasurer a sum equal to one-tenth of a mill upon each dollar of full assessed valuation, and he was directed to credit it to the Teachers' Pension and Retirement Fund.[5] The act provided for the exclusion of certain cities and districts not coming under its jurisdiction. Provision was made for the collection and

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[1] Since this study was made, the Fifty-Eighth General Assembly has provided for a second original deduction for payment of tuition for non-resident orphans living at an institution in a school district. J. C. Cahill, op. cit., Chap. 122, Sec. 335(d), p. 1146.

[2] Ibid, p. 1147.

[3] Report of Auditor of Public Accounts of Illinois, 1930, p. 152.

[4] Ibid.

[5] J. C. Cahill, op. cit., Sec. 335(A), p. 1146.

payment to the legally constituted special city and district pension funds of one-tenth of a mill on all assessed valuation within the city or district.[1] Exclusive of Chicago,[2] Peoria was the only district so organized when the 1928 budget was paid.[3] The deductions for the Pension Fund were made from the county allotments.[4] Exclusive of Peoria, they amounted to $458,621.91, proportional in each county to the full assessed valuation.[5]

The amount of the salary of each county superintendent of schools as fixed by a legal schedule, was deducted from each remaining county allotment.[6] Those total salaries amounted to $327,900.00.

The Auditor issued his warrant to the county superintendent for the balance of the allotment for each county.[7] The total amount of the warrants issued for the 1928 budget was $7,258,808.93,[8] a reduction of $1,778,387.00 or 24.50 per cent from the amount of the total county claims.

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1 J. C. Cahill, op. cit., Sec. 335(a), p. 1146.

2 The Chicago school district operated under a special act providing for pensions in district of 500,000 population or more. J. C. Cahill, Illinois Statutes Revised, 1930 Supplemented, Chap. 122, Sec. 189, par. 313(4), p. 182.

3 Report of Auditor of Public Accounts of Illinois, 1930., p. 152.

4 Ibid.

5 Ibid.

6 Ibid.

7 Ibid.

8 Ibid.

Effects of Deductions

Table XVII shows the effects of the several deductions on the twelve selected counties. The total claims for these counties were $785,763.37. The deduction due to the allotment adjustment was $85,412.15 or 10.87 per cent. The pension deduction amounted to $56,722.70, which was 8.10 per cent of the adjusted allotment. The superintendents' salaries caused a further deduction of $39,000, or 5.57 per cent of the adjusted allotment. The amount of the final warrant issued to the counties was $604,628.52, a reduction of $181,134.85, or 23.05 per cent of the amount of the total claims. The amount of the final warrant was also a reduction of $95,722.70, or 13.67 per cent of the adjusted allotment.

Some of the effects of the foregoing deductions on individual counties are revealed in Table XVII. The total claim of Marshall County, one of the wealthiest counties, was reduced from $21,292.38 to $13,586.41, a reduction of $7,706.97 or a percentage of 36.19. The two poorest counties of the twelve, Jefferson and Saline, had their claims reduced, respectively, from $72,288.25 and $118,962.50 to $59,116.55 and $101,011.45, amounting to a percentage reduction of 18.22 for the former and 15.09 for the latter.

Although the percentage of claims paid for the representative counties as shown in Table XVII becomes

TABLE XVII

AMOUNT OF CLAIM FOR TWELVE SELECTED COUNTIES, AMOUNT AND PERCENTAGE OF CLAIM ALLOWED BY STATE AUDITOR IN ORIGINAL ALLOTMENT, DEDUCTIONS IN AMOUNT AND PERCENTAGE FOR PENSION AND SALARY OF COUNTY SUPERINTENDENT, AND AMOUNT AND PERCENTAGE OF TOTAL CLAIM OF THE FINAL WARRANT ISSUED TO COUNTY SUPERINTENDENT, ON THE 1928 BUDGET.

Counties	Total Claim*	Amount of Claim Allowed= Claim X .8913004*	Deductions for Claims Allowed: Pension: Amount*	Pension: Percentage	Co. Supts. Salary: Amount*	Co. Supts. Salary: Percentage	Warrant to County Superintendent: Amount*	Warrant to County Superintendent: Percentage of Claim
Marshall	$ 21,292.38	$ 18,977.91	$ 2,691.50	14.18	$ 2,700	14.23	$ 13,586.41	63.81
Logan	37,885.77	33,767.60	4,992.34	14.78	3,200	9.48	25,575.26	67.51
Lake	96,457.77	85,972.85	11,394.87	13.25	3,600	4.19	70,977.98	73.58
Will	112,336.56	100,125.62	10,940.12	10.93	4,000	3.99	85,185.50	75.83
Bureau	64,108.87	57,140.26	5,548.85	9.71	3,400	5.95	48,191.41	75.17
Knox	74,341.14	66,260.29	6,246.27	9.43	3,400	5.13	56,614.02	76.15
DeWitt	31,[illegible]57.91	27,949.32	2,543.85	9.10	2,700	9.66	22,705.47	72.41
Effingham	31,9[illegible]4.88	28,436.83	1,829.04	6.43	3,000	10.55	23,607.79	73.99
Fulton	77,411.89	68,997.25	4,547.51	6.59	3,400	4.93	61,049.74	78.86
Fayette	47,415.45	42,261.42	2,054.48	4.86	3,200	7.57	37,006.94	78.05
Jefferson	72,288.25	64,430.55	2,114.00	3.28	3,200	4.97	59,116.55	81.78
Saline	118,962.50	106,031.32	1,819.87	1.72	3,200	3.02	101,011.45	84.91
Total	$785,763.37	$700,351.22	$56,722.70	8.10	$39,000	5.57	$604,628.52	76.95

* Data from records in Office of Auditor of Public Accounts, Springfield, Illinois: also, Biennial Report of Auditor of Public Accounts, 1930, p. 155.

greater as the wealth decreases, the actual amount of reduction is generally larger in the poorer counties. This is due to the larger claims of these counties. For example, Marshall County claimed but $21,292.38, as against $118,962.50 for Saline County.

A conception of the amount of unpaid claims for special equalization aid may be gained from Table XVIII, which shows the amount of the claim of each county in the fourth group, and the amount and the per cent of the claim paid for 1928. This is the group representing poorest ability to support pupils in average daily attendance for the school year ending June, 1928. Of the $615,500.92 contained in the 1928 budget for special equalization aid, the sum of $468,301.22, 76.08 per cent, was claimed by the counties of the fourth group. Only 82.34 per cent of the claim was paid, leaving 17.66 per cent unpaid.

The large reduction of claims for special equalization aid which resulted to the counties in the fourth group, the counties which the law specially planned to aid, suggests the need of a form of distribution which will guarantee full payment of the special aid claims.

Suggested Change in Form of Distribution

In Chapter II it was explained that the budget for any district within the county is the total sum resulting from

TABLE XVIII

AMOUNT OF CLAIM FOR COUNTIES IN THE FOURTH GROUP, AND AMOUNT AND PERCENTAGE OF CLAIM PAID FOR 1928.

County	Claim for Special Equalization Aid*	Amount of Claim Paid**	Percentage of Claim Paid
Fayette	$ 9,138.00	$ 7,132.21	78.05
Cumberland	10,805.21	8,378.36	77.54
Alexander	4,583.55	3,499.54	76.35
Mason	1,273.62	900.58	70.71
Perry	4,497.88	3,472.36	77.20
Macoupin	35,270.58	29,204.04	82.80
Gallatin	5,993.06	4,429.47	73.91
Massac	4,589.72	3,471.66	75.64
Richland	12,512.37	9,881.02	78.97
Hamilton	10,584.25	8,274.77	78.18
Johnson	1,736.47	1,259.29	72.52
Clay	10,830.85	8,554.21	78.98
Union	5,572.84	4,306.13	77.27
Jasper	21,790.70	17,715.84	81.30
White	18,436.56	14,880.15	80.71
Marion	20,948.20	17,173.33	81.98
Pope	13,860.20	10,884.42	78.53
Wayne	32,623.73	27,032.02	82.86
Jackson	29,048.65	24,087.14	82.92
Jefferson	18,702.52	15,294.92	81.78
Hardin	4,958.56	3,470.00	69.98
Pulaski	7,947.45	6,276.90	78.98
Franklin	64,476.86	55,321.15	85.80
Saline	51,083.60	43,375.08	84.91
Williamson	67,035.79	57,308.90	85.49
Total	$ 468,301.22	$ 385,583.49	82.34

* Records, Office of State Superintendent, Springfield, Illinois.
** Records, Office of State Auditor, Springfield, Illinois.

adding together the partial sum obtained by providing an original distribution of nine dollars per weighted child in average daily attendance and the partial sum claimed for special equalization aid. The total sum for the several districts is the total claim of the county on the Distributive Fund.

In the distribution of the state fund, the county is the unit. Deductions are made from the total adjusted allotment for each county, with the exception of certain original deductions from the fund as heretofore enumerated. Thus, reductions for purposes other than the operation of schools affected both general and special equalization claims. The need, as expressed in terms of special equalization aid, was not guaranteed in the plan of payment. The form of distribution used in Illinois should be so modified that all special equalization claims could be paid in full.

The procedure of the State Auditor in making the 1928 budget distribution may be represented by the following formula:

(1) $\frac{X - A}{Z} = y$

(2) $Sy - (B + C) = W$

X = Total Distributive Fund

A = Original deduction for State Institution Tax Equivalent

Z = Total amount of county budgets

y = Adjustment rate to county budgets

S = Amount of individual county claim

B = Deduction for Pension Fund per county

C = Deduction for Salary of County Superintendent per county

W = Amount of warrant issued to county

The effect of this formula was to reduce the county allotment for claims by the amounts deducted for Teachers' Pensions and Salaries of County Superintendents. The amount of these deductions varied for the several counties. As shown in Table XVII, the deductions for pensions range from 1.72 per cent in Saline County to 14.18 per cent in Marshall County. Furthermore, the deductions for salaries of county superintendents range from 3.02 per cent in Saline County to 14.23 per cent in Marshall County. This method of making appropriations from the county allotments served to reduce the sum available for the true county budget claims. In the study of the 1928 budget, it was shown that this practice reduced the payment of special equalization aid claims in per cents ranging from 16.51 to 21.95 for the fourth and poorest group of counties, as shown by Table XVIII.

In order to preserve the ability to pay special equalization claims in full, the following formula is proposed:

(1) $\frac{X - (A + B + C + D)}{N} = R$

(2) $A + D + Rn = W$

X = Total Distributive Fund

A = Original deduction for Institution Tax Equivalent

B = Original deduction for Pensions

C = Original deduction for Salaries of County Superintendents

D = Original deduction for special equalization aid

N = Number of weighted pupils in average daily attendance for state

R = Rate for distribution per weighted child in average daily attendance

n = Number of weighted pupils in average daily attendance for individual county

W = Amount of warrant issued to county

The proposed formula would deduct institutional equivalent taxes, state pension contributions, and salaries of the county superintendents from the full amount of the Distributive Fund, and these items would be guaranteed full payment as in the past. Also, the special aid claims of counties would be paid in full. After the foregoing deductions were made, the remaining amount of the Distributive Fund would be divided by the number of

weighted pupils in average daily attendance to determine the rate of the regular equalized distribution.

The warrant issued to each county would be the sum of the original deduction for institutional equivalent tax for the county, the amount of county special aid claims, and the amount of regular equalized aid as determined by the rate and the number of pupils in average daily attendance.

The effectiveness of the proposed formula may be recognized by applying it to the 1928 budget. The total amount of the Distributive Fund was $8,057,000.00. From this sum, the amounts for purposes representing other than school maintenance would be deducted: namely, $2,143.53 for institutional land equivalent tax, $468,147.54 for pensions, and $327,000.00 for salaries of county superintendents of schools. A further deduction would be made to guarantee payment in full to each county of its claimed special equalization aid. The total amount claimed for the latter purpose in the 1928 budget was $615,500.92,[1] a very small part of the total amount distributed. A total deduction of $1,412,791.99 would thus be made originally from the $8,057,000.00 Distributive Fund, leaving $6,644,208.01, the major portion of the fund, to be distributed on the basis of the number of weighted pupils in average daily attendance.

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[1] Unpublished data in office of State Superintendent.

The effect of the proposed procedure on the amount distributed as general aid may be seen in the following related facts. Approximately 80 per cent of the total claims for special equalization aid, $615,500.92, amounts to $492,400.07. Deducting the latter amount from the amount allotted to counties in 1928, $7,258,808.93, leaves $6,766,408.86. The proposed formula leaves for distribution $6,644,208.01, a reduction of $122,200.85. This reduction amounts to 13.5 cents per pupil in average daily attendance; each district would suffer a small loss in order that special equalization aid might be paid in full to the districts claiming it.

The total warrant to any county would be the sum of the amounts (1) for county institutional land tax equivalent, (2) for county special equalization aid, and (3) for county regular distribution in terms of the number of weighted pupils in average daily attendance and the rate of distribution. Warrants for teachers' pensions and for salaries of county superintendents would be issued as at present: the former, to the Pension Board; the latter, to the individual county superintendents.

The proposed formula would accomplish the desired guarantee of the payment of the amount of special equalization aid contemplated by the law. At the same time, it would provide for the payment of the amounts due for special state school functions and for an equalized

disbursement of the major portion of the Distributive Fund. This would be true regardless of the size of the Distributive Fund. The larger the fund, the larger would be the equalized distribution of its major portion. Furthermore, future changes in the provisions of the state program, such as raising the basis of state support to $1200.00 or $1400.00 per year per district teacher, could be made with a knowledge that the obligations incurred by the state would be paid in full.

An increase in the amount of the appropriation in any given year under the present plan to provide special equalization aid, $850.00 per year, might be sufficient to pay all claims in full. However, with an increase in the limit of special equalization aid to districts, or with a reduction of the assessed valuation in districts, the errors in the present method of apportionment would again influence the distribution so that special equalization aid claims would not be paid in full. The use of the proposed new formula would provide full payment of such claims regardless of the size of the appropriation or of changes in assessed valuation.

CHAPTER VII

RELATION OF THE STATE DISTRIBUTIVE FUND TO CURRENT SCHOOL COSTS AND STATE EXPENDITURES

Since the Distributive Fund is understood to indicate a desire on the part of the state to aid in providing educational opportunities through state support, it may be pertinent to inquire as to just how consistently this aim is kept in mind when appropriations are made for state aid to schools. It will be recalled that Chapter II shows that state appropriations for aid to common schools in this state have been financed by a direct state-wide property tax. Table II recites the fact that the appropriations increased from $1,000,000.00 in 1909 to $8,000,000.00 in 1923 and continued at the latter amount through 1928. What was the relation of the appropriation for state aid to schools to the current school expenses in the state?

Proportion of State Contribution to School Expenses

Table XIX shows the amount of state appropriation to the Distributive Fund, and the relation of this amount to the annual current expenses for schools from 1912 to 1928. Prior to 1912 school expenses were not kept separate for elementary schools and high schools.

From 1912 to 1919 the annual state appropriation

TABLE XIX

AMOUNT OF TOTAL AND ELEMENTARY SCHOOL CURRENT EXPENSES, AMOUNT OF STATE APPROPRIATION TO STATE DISTRIBUTIVE FUND, AND PERCENTAGE BORNE BY THE STATE FROM 1912 TO 1928.

Year	Amount of Total School Current Expenses**	Amount of Elementary Current Expenses**	State Appropriation to Distributive Fund*	Percentage of Current Expenses Borne by State	
				Total School	Elementary
1912	$ 27,324,902	$ 23,106,046	$ 2,000,000	7.32	8.66
1913	27,990,661	23,506,084	3,000,000	10.72	12.76
1914	29,714,691	24,619,313	3,000,000	10.10	12.19
1915	31,445,047	25,756,876	4,000,000	12.72	15.53
1916	33,162,760	26,374,218	4,000,000	12.06	15.17
1917	38,743,822	30,840,923	4,000,000	10.32	12.97
1918	41,507,153	32 796,635	4,000,000	9.64	12.20
1919	45,361,090	35,251,676	6,000,000	13.23	17.02
1920	57,899,161	44,671,292	6,000,000	10.36	13.43
1921	73,437,501	55,156,865	8,000,000	10.89	14.50
1922	79,128,125	58,447,802	8,000,000	10.11	13.69
1923	93,762,695	69,326,331	8,000,000	8.53	11.54
1924	91,904,754	65,334,701	8,000,000	8,70	12.24
1925	97,137,646	69,143,459	8,000,000	8.24	11.57
1926	103,101,749	74,134,957	8,000,000	7.76	10.79
1927	111,485,226	80,936,912	8,000,000	7.18	9.88
1928	113,871,353	81,359,036	8,000,000	7.03	9.83

* Data from Table II, Chap. II .

** Annual Reports of Superintendent of Public Instruction for Illinois as specified, 1912 to 1928.

for the Distributive Fund increased from $2.000.000.00 to $6,000,000.00. During the same period, the total school current expenses increased from $27,324,902.00 to $45,361,090.00. In 1912 the state appropriated an amount equivalent to 7.32 per cent of the total school current expenses, and in 1919 its share was 13.23 per cent. From 1919 to 1928 the annual state appropriation for the Distributive Fund increased from $6,000,000.00 to $8,000,000.00. The total school current expenses gradually increased to $113,871,353.00 in 1928. At the latter date, the appropriation was 7.03 per cent of the total school current expenses, .29 less than in 1912, and 6.20 less than in 1919.

The total school current expenses included costs for both grades and high school. The state made no provision for granting aid to high schools. In order to relate state aid directly to elementary school costs, Table XIX also includes the relation of the state appropriation for the Distributive Fund to the total elementary school current costs.

The total elementary school current costs were $23,106,046.00 in 1912 and $35,251,676.00 in 1919. The state participation increased from 8.66 per cent to 17.02 per cent during the period. The costs gradually increased until they reached $81,359,036.00 in 1928.

In the latter year, the state appropriation was 9.83 per cent of the total elementary costs. Although there was a 1.17 net increase in percentage of state participation from 1912 to 1928, there was a reduction of 7.17 from 1919 to 1928.

The foregoing data indicate that from 1912 to 1919 the state assumed an increased share of the current costs for all schools, or for elementary schools considered separately. From 1920 to 1928 the reverse was true; the state's share being a reduced percentage of current costs. Figure 10 is a bar diagram showing the percentage of total school current costs and total elementary current costs borne by the state for 1912, 1919, 1928. The diagram emphasizes the change from a tendency to increase relatively the state's contribution to the support of schools from 1912 to 1919 to a relatively lower share of the burden of school support in 1928.

Relation of Appropriation for the State Distributive Fund to Total State Disbursements

A similar trend is noted when the appropriations for the Distributive Fund are compared with the total state disbursements, excluding payments on bonds and expenditures from receipts from the sale of bonds. Table XX shows this comparison for each biennium from 1912 to 1928. The sums

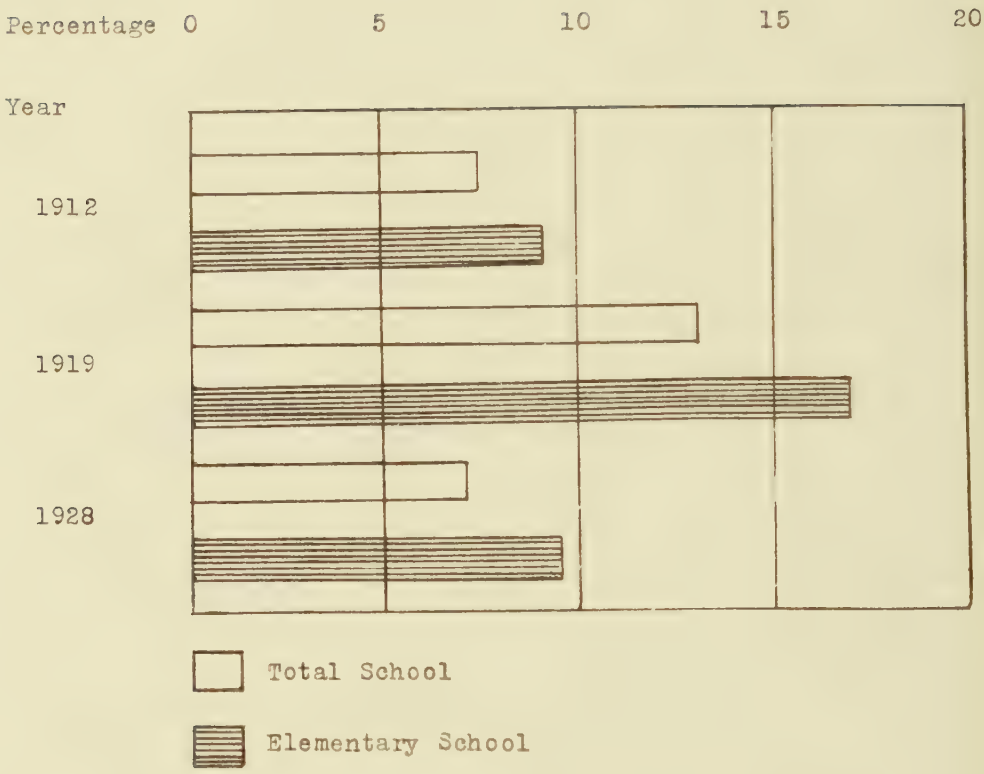

Fig. 10.- Percentage of total current school costs and of total elementary school expenses borne by the state for 1912, 1919, and 1928.

TABLE XX

COMPARISON OF BIENNIAL APPROPRIATIONS FOR TOTAL EXPENSES OF THE STATE, AND FOR THE DISTRIBUTIVE FUND FOR SCHOOLS, 1912 TO 1928. (PAYMENTS ON BONDS AND RECEIPTS FROM SALE OF BONDS NOT INCLUDED)

Biennium	Total Expenses**	Distributive Fund*	Per cent Distributive Fund is of Total Expenses
1912-14	$ 31,173,614.39	$ 5,000,000.00	16.04
1914-16	43,244,556.00	7,000,000.00	16.19
1916-18	46,747,871.37	8,000,000.00	17.11
1918-20	53,253,457.32	10,000,000.00	18.78
1920-22	91,194,906.27	14,000,000.00	15.35
1922-24	151,399,506.61	16,000,000.00	10.57
1924-26	125,529,816.57	16,000,000.00	12.75
1926-28	139,650,654.57	16,000,000.00	11.46

*Data from Table II, Chap. II , combined for biennium.

**Adapted from data in the Biennial Reports of State Auditor from 1914 to 1928.

derived from bond sales for Soldiers' Pensions, Deep Waterway Construction, and Hard Roads were eliminated from the total state disbursements.[1] Thus, state expenditures were reduced as nearly as possible to like terms for each biennium.

For the biennium, 1912-14, the appropriation for the Distributive Fund amounted to $5,000,000.00, and the state disbursements, exclusive of bond payments and expenditures of bond money, were $31,173,614.39. The state appropriated 16.04 per cent of its normal expenditures for aid to schools. The percentage of contribution to the school fund increased to 16.19 in the 1914-16 biennium, the Distributive Fund was $10,000,000.00, and the state disbursements were $53,253,457.32. The percentage of state expenditures appropriated for the schools was 18.78. In the following bienniums, the percentage decreased until it was 11.46 for 1926-28. In the latter biennium, the state expenditures amounted to $139,650,654.57, and the state aid to schools was $16,000,000.00.

To recapitulate, the percentage of state aid to total state expenditures increased from 16.04 in 1912-14 to 18.78 in 1918-20, and then gradually declined to 11.46 in 1926-28. In no biennium since that of 1918-20 has the state appropriation for schools been so large a percentage

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1 Biennial Reports of State Auditor. 1914-1928.

of state expenditures as it was during 1912-14.

Figure 11 shows the percentages of state expenditures appropriated for the Distributive Fund in 1912-14, 1918-20, and 1926-28. This diagram show conclusively that state support of schools has not been proportional to other state expenditures during recent years. Total state expenditures increased from $53,253,457.32 in the biennium, 1918-20, to $139,650,654.57 for 1926-28. This was an increase of $86,396,197.25 or 162.24 per cent. During the same period, the biennial appropriation for schools increased $6,000,000.00 or 60 per cent.

The data show very clearly that the state appropriated an increasing share of its expenditures to school aid from 1912-14 to 1918-20. They likewise show that from the latter biennium to 1926-28 the state failed to furnish proportionally increased support. Indeed it failed to provide as large a proportion as it did for the 1918-20 biennium. This finding is all the more significant since bond payments and expenditures of funds received from bond sales for specific projects were eliminated from the total state disbursements.

The study made of the relation of state appropriations to school current costs and to total state expenditures from 1912 to 1928 shows that there was an increasing state participation from 1912 to 1919 for school current costs and from 1912-14 to 1918-20 for state expenditures. It further shows that in both of the comparisons made the

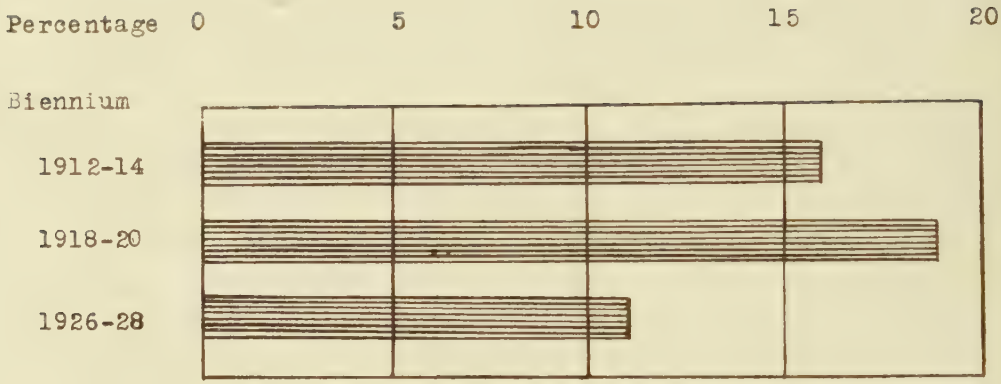

Fig. 11.- Percentage of the total state expenditures, excluding bonds and expenditures of bond money, appropriated for the Distributive Fund for the bienniums, 1912-14, 1918-20, and 1926-28.

state support of schools has been proportionately less since 1919 or 1920. In terms of the original inquiry of this study, one of two conclusions must be accepted; either the question of the state's fair share in the support of its schools has not been adequately considered, or the state has made arbitrary appropriations in this latter period which failed to keep pace with increased school costs and with its increased ability as evidenced by total state expenditures.

CHAPTER VIII

THE ADMINISTRATION OF EQUALIZATION FUNDS IN OTHER STATES

An examination of provisions for disbursing equalization funds with which to support the minimum program in states having recent legislation on the subject shows the use of methods which differ from each other and from the method used in Illinois. Some states provide for such aid by legislative formulae alone, while others secure a more flexible administration of the equalization program by means of discretionary powers vested in the appropriate executive board or officer of the state school system.

The methods of administering equalization aid used by eight states having recent legislation on the subject were examined with a view to ascertaining (1) the nature of the methods used and (2) the probability of furnishing support for the minimum program for schools.

The eight states are : Delaware, North Carolina, Virginia, Maryland, New Hampshire, New York, Utah, and Missouri. These particular states were selected because of recent legislative enactments bearing directly upon the problem of this study.

The findings reported in this chapter are based on descriptive reports issued by state departments of education, legal documents, and conferences with educational officials of the states mentioned.

The Methods Used

An analysis of the methods used by the foregoing states shows three classes of plans for supporting the state minimum program, namely:

First, those providing for full support by the state;

Second, those supplementing the proceeds from the local district tax to pay costs of certain or all budget items;

Third, those providing fixed support for the school unit or the teaching unit, less actual, required, or assumed proceeds from local district tax rates.

Delaware and North Carolina use plans belonging to the first class. In Delaware, the State Board of Education disburses funds with which to support such budgets as are approved by the Board. The item of most importance is that of teachers' salaries, and budgets are interpreted in terms of the state schedule formulated by the State Board in conference with school representatives from the thirteen special districts in the state.[1]

North Carolina recently provided for state support of a six months' school term and appropriated $16,500,000.00 for the school years ending, June, 1932, and June, 1933 respectively. Partial support is provided for an extended two months' term, the balance being raised by uniform local taxes in districts supporting such extended term. The State Board administers $150,000.00 with which to supply

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[1] School Laws of Delaware, op. cit., p. 17.

additional teachers according to its own judgment of such needs.

Virginia, Maryland, and New Hampshire use plans belonging to the second class. Maryland pays costs of the budget items for teachers' salaries, according to state schedules, in excess of the proceeds of a local tax of 67 cents, on each $100.00 of valuation. Virginia pays the cost of teachers' salaries in excess of the minimum as determined by a state salary schedule based on qualifications. New Hampshire pays the cost of all approved budget items in excess of the proceeds from a district tax of 50 cents per $100.00 of valuation.

New York, Utah, and Missouri use plans belonging to the third class. The chief characteristic of the plans is that the costs of the school unit or the teaching units are specified amounts, the funds for which are furnished by the state in excess of amounts from local taxes or from other sources received by the local district. For more than one room schools, New York provides $1500.00 per elementary teacher unit and $1900.00 per high school teacher unit, less an amount equivalent to the proceeds from a 60 cent local tax on each $1000.00 of true valuation in the district. The one teacher rural school unit is provided $1500.00, less an amount equivalent to the proceeds from a 40 cent local tax.

The Utah plan sets up a school unit costing $1,655.00 and provides that amount, less the proceeds from a required

local school tax of 55 cents per $100.00 of assessed valuation and the amount received from the distribution of the equivalent of $25.00 per child of school age in the state on the basis of the last school census.

The Missouri plan incorporates features very similar to those in the plans of New York and Utah. The state provides $750.00 for each elementary teaching unit and $1000.00 for each high school teaching unit, less the proceeds of a qualifying 20 cent local tax per $100.00 of assessed valuation in the district. The plan further provides $900.00 and $1200.00, respectively, for the units when sufficient funds are available.

Table XXI shows the specific provisions of the methods used by the foregoing states.

Certainty of School Support

The emphasis of all three classes of plans for administering the distribution of equalization aid with which to support the state minimum program is based upon the provision of a large degree of certainty that necessary funds will be available for each district. Two factors determine the effectiveness with which this objective can be realized. The first of the factors is the amount of the state appropriation. Frequently, this is insufficient to meet the needs of carrying out the full provisions of the plan. An example is found in the action of the Delaware

TABLE XXI

METHODS OF DISTRIBUTING EQUALIZATION AID
IN EIGHT STATES HAVING RECENT LEGISLATION

State	Method of Distribution
Delaware	Approval by State Board of district budgets[1] using the state salary schedule for teachers constructed by the Board,[2] within the limits of legislative appropriation. $3,250,000.00 for 1930-1931. Operated as State unit with provision for city districts.[3]
North Carolina	State support of six months' school term. Appropriation of $16,500,000.00 for each school year ending June, 1932, and June, 1933, respectively. Provides $150,000.00 to be used by the State Board for salaries of emergency teachers. Extension to eight months' term in part supported by State Board and in part by uniform local tax in districts maintaining such extended term.[4] (1931 legislation)
Virginia	Appropriation to be distributed according to regulations established by the State Board of Education. Temporary plan to pay cost of teachers' salaries in excess of state minimum for state salary schedule based on qualifications. (1930) $500,000.00 appropriated by legislative for 1931.[5]

1 School Laws of Delaware, 1929, pp. 15-19.

2 Ibid, pp. 11, 17.

3 Annual Report, Department of Public Instruction, pp. 1-8.

4 New School Legislation, North Carolina, Session 1931, Education Publication No. 159, State Superintendent of Public Instruction, Raleigh, North Carolina, pp. 3-38.

5 Virginia School Laws, 1931, p. 87.

TABLE XXI

(Cont'd.)

State	Method of Distribution
Maryland	Supplements proceeds from required 67 cent county tax per $100.00 of assessed valuation to pay budget item for teachers according to state schedule;[1] 76 per cent of approved budget which must contain items for 24 per cent expenditures other than for teachers.[2] One half of transportation costs arbitrarily added.
New Hampshire	The required local levy is 35 cents, but the state supplements the proceeds from a 50 cent per $100.00 of valuation township tax to furnish the balance of budget needs as approved by the State Board within the limits of the appropriation.[3] Five per cent of budget may be distributed on basis of unusual need.[4] A $6,000.00 limit is placed on aid to any one township.[5] $352,555.03 disbursed in 1929-30.
New York	For more than one teacher schools, provides $1500.00 per elementary teacher unit and $1900.00 per high school teaching unit, less amount equivalent to a 60 cent tax on each $1000.00 of true valuation of property in the district. Number of teachers are determined by pupil ratio.[6] For one teacher rural schools, provides $1500.00 (1931) per teacher, less amount equivalent to proceeds from a 40 cent district tax.[7] $125,000,000.00 appropriated for 1931-32.

1 Maryland Public School Laws, 1927, Sec. 204, pp. 113-114.

2 Maryland School Bulletin, Maryland Board of Education, September 1930, pp. 23-24.

3 New Hampshire School Laws, 1927, Chap. 121, Sec. 8, p. 67.

4 Ibid, Sec. 11, p. 58.

5 Ibid, Sec. 13, p. 69.

6 Education Law, New York, 1931, Art. 18, Sec. 491, pp. 168-170.

7 Ibid.

TABLE XXI

(Cont'd.)

State	Method of Distribution
Utah	Supplements the proceeds of a 55 cent local school tax on each $100.00 of assessed valuation and the amount received from the state distribution on the school census basis by an amount to provide $1655.00 per school unit. The units are determined on the basis of one unit for a one room school, and two units for a two room school, and one unit for each 36 weighted pupils in larger schools.[1] (1931) The state continues to disburse to each county an amount equivalent to $25.00 per child of school age in the state on the basis of the last school census of children 6 to 18 years of age.[2]
Missouri	In addition to the proceeds of a qualifying 20 cent local tax on each $100.00 of assessed valuation in the district, the state will provide sufficient funds to guarantee to each district $750.00 for each elementary teaching unit and $1000.00 for each high school teaching unit. When funds will permit, the state will guarantee $900.00 and $1200.00, respectively.[3] The number of teaching units is determined by a scheduled number of average daily attendance pupils per teacher.

1 School Laws, Utah, 1931, Chap. 57, Sec. 4, pp. 94-96.

2 Ibid, pp. 90-91.

3 Department of Education Bulletin, Missouri, May 1931, pp. 24-28.

legislature which for several years prior to 1928 failed to provide a sufficiently large appropriation with which to meet the needs of the state budget as submitted by the State Board of Education. This condition arose, despite the fact that the revenues from specially designated school sources actually exceeded the amount of the appropriation each year.[1]

In each of the states reported in this chapter, the amount of money to be used for equalizing the support of the minimum program is provided by legislative action. In most states, funds for distribution to schools have been increased each session of the legislature, but they have fallen far short of the needs.[2] There is a persistent danger that such appropriations may be much less than the amount necessary to provide the state's share of supporting the accepted minimum program for schools.

The second factor which determines the certainty with which each district will be provided sufficient funds with which to support the minimum program is compulsory or optional participation in the state plan of equalization. Compulsory participation is usually accompanied by a required local tax levy. Examples are found in the plans used by New Hampshire, Maryland, Utah, and New York.

Optional participation leaves the district to choose

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[1] Fletcher Harper Swift and Bruce Lewis Zimmerman, State Taxes and School Funds and Their Apportionment, U.S. Bureau of Education Bulletin, 1928, No. 29, pp. 71-72.

[2] Fletcher Harper Swift, Federal and State Policies in Public School Finance in the United States, Ginn and Co., Chicago, 1931, pp. 82-94.

whether it will enter the state plan. The choice, if favorable, must be accompanied by the levy of a specified local tax. Such participation is a feature of the plans used in North Carolina for the extended term from six to eight months and in Missouri. There is less certainty that all districts will have adequate funds under the optional plan of participation than under the compulsory plan.

Flexibility of Administration

Flexibility of administration means the exercise of discretionary powers in the distribution of funds by some responsible body or individual, such as the State Board of Education, the chief executive of the Board, or the State Superintendent of Public Instruction. The purpose of the present inquiry is to determine the extent to which such powers are delegated to those responsible in the law for the administration of state funds used to equalize the support of the state minimum program for schools.

A large amount of flexibility characterizes the powers granted the Boards of Education of Delaware, North Carolina, New Hampshire, and Maryland in disbursing state aid to schools in such a manner as will guarantee the support of the state minimum program. In Delaware, full support is provided in accordance with district needs. The Board's power is limited only by the amount of the

appropriation made by the legislature. The North Carolina Board exercises full approval of the budgets of districts for a six months' term and for an extended term in certain districts. In New Hampshire, the Board has absolute approval of the budgets of districts levying the qualifying local tax entitling them to equalization aid. In addition, the Board has full discretionary powers in disbursing 5 per cent of the Distributive Fund on the basis of unusual need. The Board of Education of Maryland approves all district budgets and furnishes aid to the extent of paying the cost of teachers' salaries according to state schedule. Not less than 24 per cent of the budget can be expended for current expenses other than teachers' salaries, therefore, the practice is to pay 76 per cent of the budget. The Board's powers lie in determining the number of teachers and in the approval of budget items.

In the states of New York, Utah, and Missouri, the Commissioner or the State Superintendent exercises discretionary administrative powers to a lesser degree than the officials in the foregoing group of states. However, a large measure of responsibility rests with the executive for determining the number of teaching units or school units to be supported, but such action must adhere to formula. The amount of support for each unit is established by law. The adjustment of the legalized unit support in terms of the amount raised

by the local tax and the amount of other funds received by the unit is a heavy responsibility, if not a matter involving the use of extensive discretionary action.

The advantage of vesting adequate discretionary powers in an executive body is most clearly exemplified in the provision by which Virginia recently charged the Board of Education with the distribution of its Equalization Fund according to such regulations as the Board should formulate.

It may be concluded from the foregoing analysis of the discretionary powers exercised by State Boards, State Superintendents, and Commissioners that a considerable amount of flexibility of administration is a factor in those plans for distributing equalization aid which effectively and intelligently accomplish the purpose of providing the necessary funds with which to support the state minimum program for schools.

CHAPTER IX

ILLINOIS IN RELATION TO MODERN PLANS

The Illinois Distribution

The purposes of this chapter are two: first, to compare the administration of the Distributive Fund in Illinois with the administration of similar funds in other states; and second, to show how the administration of the fund can be improved in Illinois.

The analysis of the results of the administration of the Distributive Fund in Illinois under the 1927 law, as reported in Chapters II to VII, shows that Illinois aims to supplement the proceeds of a qualifying local district tax rate by such an amount as will support a school costing approximately $1,000.00.

The method of distribution of the state fund provides for the allotment to each district of $9.00 per pupil in average daily attendance, weighted to 18 pupils per school, and to districts requesting equalization aid the sum necessary to supplement the proceeds of a one per cent local tax to make $850.00 per teacher, or the sum, if larger, resulting from multiplying $25.00 by the number of pupils in average daily attendance.[1]

The latter provision is the equalization factor, for the $9.00 per pupil is distributed to all districts

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[1] See Chapter II, Table III.

whether or not qualifying for state equalization aid. The result is that the actual equalization method is operative on a school-teacher basis of $850.00. However, the practical utility of the general distribution of $9.00 per pupil must be recognized in the plan to furnish not less than $1,012.00 to each qualifying district.

Comparison with Other States

The administrative method used in Illinois compares most favorably with those methods used in New York. Utah, and Missouri. In each case a specified unit is furnished an amount for support which is a combination of local and state contributions.

It differs from the plans used by New York and Missouri in that New York guarantees support to all teacher units, and in that Missouri makes no general distribution before applying the principle of guaranteeing the support of teaching units for qualifying districts.

The Illinois method is similar to that of Utah. The Utah plan provides for the support of the school unit by specifying a stated amount for the support of the unit. It supplements the proceeds of the required local district levy, plus the sum received from the distribution of a state fund on the basis of school census pupils, by an amount totalling the sum specified for the support of the unit.

Both Illinois and Utah disburse a per pupil sum,

the amount of which, for each district, becomes a part of the sum specified as the school unit support. However, all districts participate in the equalization factor in Utah, while only those qualifying by making the required local levy participate in Illinois. It is obvious that all districts should participate in any scheme for the equalization of the support of the state minimum program of schools. Illinois can increase the efficiency of her law by applying it to all districts.

Theoretically, in Illinois, the teacher-school is provided a sum of not less than $1,012.00 from local tax and state sources. Actually, the study of the results of the administrative technique prescribed by the legislature shows that deductions for teachers' pensions, county superintendents' salaries, and tuition for orphans reduce the sums allotted to the districts so that the method fails in many instances to furnish the needed funds with which to support the unit.

It has been shown, however, in the study made of the auditor's procedure of disbursing the Distributive Fund, that the full results contemplated by the law can be received by such a modification of the administrative technique that deductions from the fund for purposes of special equalization aid, teachers' pensions, county superintendents' salaries, and other items which may be

specified by the legislature shall be made before the fund is allotted to the counties. Furthermore, by the use of the suggested technique, the results would not be vitiated by a change in the amount specified or implied for the support of the school-teacher unit.[1]

Improving the Administrative Possibilities

Illinois distributes the larger part of its state aid on the basis of the number of weighted pupils in average daily attendance. It appears that the effectiveness of administering the fund can be improved by discontinuing this practice. The full amount furnished by the state, so long as it is relatively a small portion of that required to support the minimum program, should be devoted to the service of equalizing the support of the minimum program.

There is, however, one objection to such a proposal, namely, that the state fund raised for schools has its source in a state property tax levied upon the same valuations upon which the local tax rate for schools is levied.

A Constitutional obstacle seems to obstruct efforts to change this relationship, namely, Article IX of the

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[1] See Chap. VI.

State Constitution which provides that all state taxes must apply uniformly to all taxable property.[1] Furthermore, repeated attempts to modify this provision have met with defeat at the polls.

Under such a condition, Cook County objects to paying a large portion of the state tax for schools with little chance of receiving any substantial portion of it for the support of her own schools. In 1928, the last assessed valuation of Cook County was $4,667,978,035.00, while that for the state was $8,762,051,780.00.[2] At the state school tax rate of 10 cents per $100.00 of assessed valuation, Cook County paid $4,667,987.00 and received slightly over $3,000,000.00 on the $9.00 per pupil basis of distribution.[3] With the state appropriation for the Distributive Fund set at $8,000,000.00,[4] Cook County paid over half of the entire sum, and it would continue to pay the same proportion whatever the amount of the Distributive Fund.

The whole situation presents an objection to any change in the plan to distribute $9.00 per pupil to all districts. Indeed, such a proposal probably will be set aside until such a time as the constitutional obstacle is

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[1] H. B. Hurd, op. cit., Vol. I, p. vi.

[2] From Chap. III, Table IV.

[3] See Chap. IV, Table IX.

[4] See Chap. II, Table II.

removed and other sources of revenue provided for the support of the Distributive Fund.

The administration of the Distributive Fund can be made more effective, under conditions as they actually exist, by improving the assessed valuations upon which the required local participating rate is levied.

All local and state taxes are levied on the equalized assessed valuations as adjusted by the State Tax Commission. The Commission, however, recognizes the inequalities existing in assessed valuations due to the present methods of assessment and to the limited powers of the Commission, particularly its inability to change any individual assessment made by a local assessor, to increase or reduce the amounts for different classes of property in any county more than 10 per cent of the total assessed value of all property in the state, and to change the state aggregate assessment value for any one class of property.[1]

The Tenth Annual Report recommends a more scientific plan based upon the sales ratio method used by the Wisconsin and Minnesota tax commissions.[2] Table XIII of the Report presents the ratio of assessed and sales values of real estate and improvements in Illinois for assessments for tax purposes in 1928 and for sales values as recorded between 1924 and April 1, 1928, as prepared by the Illinois Agricultural Association.[3]

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[1] Tenth Annual Report of the Tax Commission of the State of Illinois, 1928, Springfield, Illinois, pp. 65-67.

[2] Ibid., pp. 46-80.

[3] Ibid., pp. 75-76.

The table shows the ratios to be 38.52 per cent for farm land, 35.64 per cent for town and city lots, and 37.39 per cent as the weighted average for real estate. It further shows the percentage of the weighted average for counties to vary greatly. The highest ratio is 60 per cent for Johnson County, while the lowest ratio is 29 per cent for Saline County. The 37 per cent weighted average for the state was used in the 1929 reassessment of Cook County.[1]

In 1923, Reeves, although using assessed valuation for his study of the Political Unit of Public School Finance in Illinois,[2] included a study of the ratio of the assessed valuation of 1921 to the true valuation of land for 22 counties crossed by the Chicago and Northwestern Railway, the data furnished by the Tax Commission of the Railway Company being based on sales from 1915 to 1922, inclusive.[3] The ratio of assessed value to true value was 34.56 per cent. The table shows, further, that the ratios for the different counties varied from 26.80 per cent to 51.14 per cent. Although these ratios are seriously out of date due to the economic depression through which the country and the state have passed during the past few years, they serve the purpose of calling attention to the need of providing more equitable assessment of property in Illinois.

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[1] Chicago Daily News, November 12, 1929, p. 1.

[2] Floyd W. Reeves, The Political Unit of Public School Finance in Illinois, Macmillan Company, New York, 1924, p. 16.

[3] Ibid., p. 156.

A more recent study shows a similar inequality between assessed values and sales values in 17 counties studied by the Illinois Agricultural Association during 1930 and 1931. Table XXII shows the ratio of assessed valuation to sales value for farm lands and for town and city lots. For farm lands, the highest ratio is 93.19 per cent for Union County, and the lowest ratio is 33.90 per cent for Champaign County. The average ratio for the 17 counties is 51.98 per cent. For town and city lots, the highest ratio is 62.25 per cent for Union County, and the lowest ratio is 25.57 per cent for Madison County. The average ratio for the 16 counties in which tests were made is 47.34 per cent.

The foregoing ratios of assessed valuations to sales values in Illinois show that the basic need for improving the administration of the Distributive Fund in Illinois lies in the securing of continuous equalized assessments throughout the state. Proper authority and sufficient expert supervisors of assessments should be furnished the Tax Commission so that approximate equalization of assessed valuations will result.

Maryland furnishes an example of a state in which fairly well equalized assessment of valuations has been secured. In reporting on the taxation base, the State Superintendent says:

> The State Tax Commission has been functioning effectively for a period of years in gradually securing uniform assessments of property values throughout the State.[1]

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[1] Maryland School Bulletin, op. cit., p. 19.

TABLE XXII

RATIOS OF ASSESSED VALUATION TO SALES OF FARM LANDS AND TOWN AND CITY LOTS FOR 1930 TO 1931

County	Sales Period*	Ratio of Assessed Valuation to Sales: Farm Lands	Town and City Lots
Adams	Sales mostly in 1930 and before April 1, 1931	68.94	58.34
Champaign	Sales in 1930	33.90	32.48
Edgar	Sales made in 1930 and before Mar.15, 1931.	50.46	59.75
Hancock	Sales made late in 1929, 1930 and before Ap.1,1931	48.97	53.93
LaSalle	Jan. 1, 1929 to Jan. 1, 1931	48.91	No test made
Lee	Sold mostly in 1930 and before Mar. 1, 1931	48.29	65.47
Madison	Jan. 1, 1930 to Jan. 1, 1931	54.86	25.57
Mercer	Sold late in 1929 1930, and early in 1931.	51.21	50.45
Ogle	Sold late in 1929 1930 and before Apr. 1, 1931	53.37	51.46
Peoria	Sold in 1930 and early in 1931	44.66	29.34
Perry	Sold in 1930 and before July 1,1931	72.18	53.47
Pike	Sold in 1930 and up to Mar.1,1931	46.92	29.74
RockIsland	Jan. 1, 1930 to Feb. 20, 1931	40.51	39.17
Scott	Sold in 1929,1930 and before July 1, 1931	51.00	47.00
Stark	Sold in 1929,1930 and before July 1, 1930	41.75	55.85
Stephenson	Sold mostly in the year 1930 and before Mar.1, 1931	34.64	38.15
Union	Sold mostly in 1929, 1930 and before Apr. 1, 1931	93.19	67.25
Average		51.98	47.34

* Data furnished by Department of Taxation and Statistics, Illinois Agricultural Association, Chicago, Ill.

Power of equalizing property values by a ratio based on sales is granted to the tax commissions in Indiana, Kansas, Louisiana, Minnesota, Missouri, Maryland, and Ohio.[1]

Morrison's[2] plan for equalization of effort in North Carolina sets up the economic ability of a county as "one per cent of the equalized property valuation plus the income tax paid annually." He uses the criterion of raising the local county tax by applying to each county the property tax rate required by the wealthiest county to support its own entire minimum program.

Mort[3] advocates applying the local rate to the property wealth of each district which is necessary in the key district to support that part of the minimum program not already supported by state aid. The key district may be the wealthiest district, or it may be the one of average wealth which supports an acceptable state minimum program. The state determines the amount of state aid to be furnished, and the community raises an amount equivalent to a fixed rate on full or equalized value found by applying the ratio which the assessed valuation bears to the true valuation. The local rate to produce the required amount is applied to the assessed valuation of the property of the district.

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1 Tenth Annual Report of the Tax Commission of the State of Illinois, op. cit., p. 67.

2 Fred Wilson Morrison, Equalization of the Financial Burden of Education in North Carolina, Bureau of Publication, Teachers College, Columbia University, New York City, 1925.

3 Paul R. Mort, State Support for Public Schools, Bureau of Publications, Teachers College, Columbia University, New York City, 1926.

Singleton[1] proposes the levying of the local tax rate on full assessed valuation at the rate necessary for the wealthiest district to support the acceptable minimum program. In his conclusions, he advocates a more scientific method of assessment that will make real or true values the basis of taxation.

Strayer and Haig report in the Financing of Education in the State of New York that, in order to achieve uniformity based on tax-paying abilities, the local school tax should be levied in each district at the rate which would provide the necessary funds to support the minimum program in the richest district, the basis of wealth being established by using the formula, (tax income + 1/10 full value of real estate).[2]

The foregoing scientific studies agree in advocating a true valuation basis for determining the rate of the local tax to be applied to the assessed valuation of the district. There is an effort in each case to secure a ratio of assessment to true value of property or to economic ability in terms of a combination of true property values and income.

To conform to the general principle of local taxation to support the minimum program, the State Tax Commission of Illinois should either equalize property values throughout the State, which is the ideal procedure for all purposes, or it should provide a corrective ratio to be used when qualifying or required tax rates are specified.

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[1] Gordon G. Singleton, State Responsibility for the Support of Education in Georgia, Bureau of Publications, Teachers College, Columbia University, New York City, 1925.

[2] Ibid.

Source of Revenue

The source of school revenue in Illinois is a tax on property. This is true for local taxes as well as for a state tax to furnish revenue with which to pay the legislative appropriation for the Distributive Fund.[1] With the exception of the state tax to finance the Distributive Fund, no uniform local school tax is levied. The qualifying provision is that a $1.00 per $100.00 educational tax shall be levied by districts claiming special equalization aid.

Study of sources of revenue for schools shows that several states employ income, franchise, business, severance, or other non-property taxes to supplant or to supplement state property taxes for schools. The property tax is reserved largely for use of the local unit. While different opinions have been expressed concerning changes in the tax system of Illinois, it is probably true that before any substantial progress can be made in securing additional sources of revenue for state-aid to schools in Illinois, Article IX of the State Constitution must be amended.

Although a Constitutional obstacle may have to be removed before much progress can be made, two methods of providing future sources of revenue may be noted. The plans of Wisconsin and Minnesota illustrate these methods.

In 1911, Wisconsin provided for an income tax, which, with modifications that have been made, now applies to personal and corporation incomes with rates from 1 to 6

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[1] School Laws of Illinois, op. cit., Sec. 189, p. 86.

per cent on individuals and from 2 to 6 per cent on firms and corporations.[1]

The income from this tax is distributed as follows: 40 per cent to the state, 10 per cent to the county, and the remaining 50 per cent to the town, city, or village in which the tax was assessed and collected.[2]

Public schools receive state aid from the state's share of 40 per cent. Aid is given to both elementary and high schools. The receipts from the tax, however, become part of the general state revenue fund, and state aid is appropriated by legislative action.[3]

An interesting feature of the law is a grant made for the remission of the Constitutional general property tax of 1.1 mills for schools.[4] The proceeds of the income tax are thus substituted in part for those of the Constitutional property tax. Thus, property taxes are reserved for use of the local district.

Minnesota enacted a law in 1913 establishing the classification of property for taxation purposes.[5] The scheme provides: that iron ore shall be one class and shall be assessed at fifty per cent of its value; that urban real estate shall be a second class assessed at forty per cent;

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1 Wisconsin Statutes, 1927, Chap. 71, Sec. 20-251-20.255; and 1929, Chap. 350, 448, 498.

2 Laws of Wisconsin, 1925, Chap. 57, pp. 116-117.

3 Wisconsin School Laws, 1928, Sec. 20.255, pp. 246-7.

4 Ibid, p. 246.

5 F. B. Tiffany, General Statutes of Minnesota, 1913, p. 418 ff.

that rural real estate, live stock, machinery, and merchandise shall be a third class assessed at thirty-three and one-third per cent; and that wearing apparel, household goods, and personal belongings shall constitute a fourth class assessed at twenty-five per cent of value.

Both the income-tax plan of Wisconsin and the classified property-tax plan of Minnesota suggest promising methods of approach to the tax problem in Illinois. The combination of the two plans would provide a scheme which would recognize the diversified forms of property for taxing purposes and, at the same time, assess incomes of persons and corporations contributing little or nothing from property taxes, but having good returns from professional and business activities.

The Larger Unit

The administration of the Distributive Fund of Illinois can be improved economically by legislative action fostering the formation of larger school districts. Any attempt to equalize the cost of maintaining a minimum program in small local districts has two undesirable results, namely, (1) inability of many such districts to maintain an acceptable minimum program, and (2) a permanent encouragement to continue the use of a unit which has proven uneconomic and wasteful.

In commenting upon the school unit, Mort says:

> To equalize the burden of offering a substantially more adequate education (in inadequate local districts) is to take from the forces making for better local organization one of their most effective tools.[1]

Although it may be practically necessary, at times, to recognize small local districts, there is great economic waste in supporting school units which depend to a considerable extent upon the use of fictitious weighted-pupils per district, when actual practice has demonstrated that the use of larger districts makes it possible to maintain schools in which a reasonable number of pupils are instructed per teacher. An example of this may be found in the case of one county in Illinois where 120 rural schools with pupils in average daily attendance ranging from 5 to 14 were combined theoretically into 37 teacher-school units with an average of 27 pupils each. The economic gain is indicated by the difference in the number of teachers required, although certain additional costs would be incurred, such as costs of transportation and extra equipment.

In 1930, there were 10,072 rural elementary districts out of a total of 11,968 districts in the state. Of the rural districts, 3,741 or 37 per cent enrolled fifteen or less pupils per school. Likewise, 1,496 districts, 15

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[1] Paul R. Mort, State Support for Public Schools, op. cit., p. 16.

per cent, enrolled from one to ten pupils per school.[1] The continuation of granting such state equalization aid as tends to perpetuate such small district schools results in the uneconomical expenditure of both state and local funds.

In his study of the political unit of public school finance in Illinois, Reeves concluded that the adoption of the township unit of school taxation would do much to correct existing inequalities of the tax burden.[2] He further concluded that the county unit would go much further toward the equalization of financial school burdens than either the township or the community.[3]

That Illinois recognizes the need of a unit larger than the local district is evidenced by the approval by the Illinois State Teachers' Association of a bill introduced in the 1931 session of the General Assembly to provide a county board of education, one duty of which would be to survey the county and to lay out and to recommend larger districts.[4] Although this bill did not pass, it is the policy of the Association to introduce it again. Such a plan, if enacted into law,

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[1] Statistical Report of the Superintendent of Public Instruction, 1930, p. 9.

[2] Floyd W. Reeves, The Political Unit of Public School Finance in Illinois, New York, The Macmillan Co., 1924, p. 16.

[3] Ibid, p. 149.

[4] Legislative Synopsis and Digest, Fifty-seventh General Assembly, State of Illinois, No. 14, House Bill No. 774, p. 350, 1931.

would be a step in the direction of the establishment of the county as the unit for school organization and support. If the county unit were chosen, the number of rural financing units would be reduced from approximately 10,000 to 102. Provision for grouped county units might reduce the number of units still further. Large cities, however, might constitute additional independent districts, as in the states of Delaware and Maryland.

Examples of the use of the township and the county unit are found in the practices of New Hampshire, Maryland, Virginia, North Carolina, and Utah. Furthermore, definite encouragement to form larger units is provided by the new laws of New York and Missouri.

It is evident that Illinois would do well to follow the example of the states which already have given special consideration to the size of the unit in relation to the economy with which equalization aid can best be furnished by the state.

Improvement of Flexibility of Administration

In common with many other states, Illinois is confronted with the task of providing a larger measure of administrative flexibility in disbursing her Distributive Fund than is now possible through following the prescribed legislative formula. Indeed, the fund must be administered, not merely legislated.

If the minimum program costs are to be equalized, it must be done on the basis of costs as determined by continuous studies, the results of which can be applied by an administrative body or an executive without waiting to secure another formula from legislative action.

Such a step in advance calls for a flexible supply of funds with which to meet the true needs, rather than legislative appropriations absolutely limited to a definite sum.

Additional flexibility of administrative power is necessary for the adjustment of district allowances based upon differing costs of maintaining the minimum program in different communities. The differing costs are due to variation in costs of living, transportation of pupils, unforeseen disaster affecting the local ability to raise revenue, and the use of a state salary schedule for teachers which provides for remuneration in terms of years of successful experience in addition to the required training qualification. Only through flexible administration can such factors be employed intelligently. Such a program of equitable support from the state requires the approval of district budget items by the State Board, the Superintendent, or other executive acting as agent for the State Board in carrying out state policies in supervisory districts. The State Board is used in most states, with power to select its chief executive officer. Such a plan for

Illinois would be a step in the right direction.

The principles underlying a reasonable degree of flexibility in administering the state's part of the costs of the minimum program are the same principles which apply to the administration of city school support and to the administration of funds for full state support of the minimum program.

In referring to the need of substituting administration of funds for the mere application of legislative formula, Morrison says:

> Equalization has been brought about by making it an administrative matter in the hands of an administrative board, rather than a legislative matter determined by a statute and interpreted by the courts.[1]

The intelligent approval of the district budget made in accordance with schedules provided by the State Board or the executive officer points the way to a true equalization of the cost of supporting the minimum program in each district in the state.

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[1] Henry C. Morrison, School Revenue, University of Chicago Press, Chicago, Ill., p. 206.

CHAPTER X

SUMMARY AND CONCLUSION

The purpose of this study of the Administration of the State Distributive Fund in Illinois has been to show the effects of the different methods of disbursement used by the state, and to compare the administration of equalization aid in Illinois with that of other states with a view to pointing out ways in which the administration of the fund may be improved. With this end in view an effort has been made to trace the history of the Distributive Fund in Illinois, to compare the results of the disbursement of the Fund under the methods used, to examine the methods used by states having recent legislation on this subject, and to compare the method of administration used in Illinois with the methods used in other states.

The Distributive Fund had its inception in the enactment of the Free School Law of 1825 which provided that two dollars out of each hundred dollars received in the treasury should be distributed to the counties for school use. This Fund was increased by interest paid by the state on the permanent school fund which consists of the federal grant of three per cent of public land sales in Illinois, amounting to $613,362.10 from 1820 to 1860, and of Illinois' share of the 1837 distribution of the

federal surplus revenue, amounting to $335,592.32.

In 1855 a two mill tax for school purposes was provided by the legislature. It continued in force until 1873, when $1,000,000.00 was appropriated in lieu of the annual two mill tax. This sum was gradually increased by legislative appropriations until it amounted to $8,000,000.00 in 1921 and continued at that amount to 1928.

For many years distribution of the Fund was based upon some form of census enumeration. In 1923 the legislature provided for distribution of the Fund by a district budget method which remunerated districts in proportion as certain educational conditions were maintained. A few years later, 1927, the present law was enacted. One of its provisions is the granting of aid to elementary districts on the basis of need in maintaining the state minimum program for schools. These plans of distribution are known as the census, the stimulation, and the equalization methods.

Disbursement According to Census, Stimulation, and Equalization Methods

A comparison of census, stimulation, and equalization methods of furnishing aid to elementary districts is possible for the years 1924, 1927, and 1928, respectively, because the state appropriation remained $8,000,000.00

annually, and the annual interest on the permanent school fund likewise remained $57,000.00.

For the year 1927-28, each elementary school pupil in average daily attendance had an average support base of nearly $10,000.00 of state assessed valuation. The wealthiest county, however, was ten times as able as the poorest county to support its pupils in average daily attendance. Such marked variability shows the inequality existing among small areas to support any state minimum program for schools. Indeed, only fifty-four of the one-hundred-two counties in the state could raise sufficient funds by a one per cent educational tax to support schools costing as much as the average per pupil for the state.

When the counties are classified into four groups on the basis of assessed valuation supporting each pupil in average daily attendance, the measure used in the 1927 law, the median for the wealthiest group is three times that for the poorest group, being respectively $12,196.00 and $4,135.00. It is a significant fact that the counties of the two wealthier groups are in the northern half of the state, while those of the two poorer groups are chiefly in the southern half of the state. This sectional difference indicates clearly the need of supplying relatively large school support from state funds.

A comparison of increases and reductions of allotments

of the Distributive Fund to the four groups of counties for 1924, 1927, and 1928 shows that the change from the 1924 census method to the 1927 stimulation method was favorable to the first, the second, and the fourth groups, while having little effect on the third group. In the change from the 1927 stimulation basis to the 1928 equalization basis, the fourth group was furnished a large increase, while the first and the second groups suffered large reductions, and the third group was but slightly affected. However, most of the counties in the third group were furnished increased aid but two counties including large cities experienced reductions. These data indicate that the equalization method of distribution used in 1928 is superior to the stimulation method used in 1927, because the equalization method furnished increased aid to poorer counties.

Special Equalization Aid

An important feature of the distribution law used in 1928 is the provision for granting special equalization aid to districts. The effects of this law for twelve representative counties, three from each group, indicate that the poorer counties in the two lower groups having the greater need of special equalization aid, suffered the greater reductions in the payment of such claims, made the greater effort to support schools, and maintained fewer small schools than the wealthier counties in the two upper

groups. The reductions were such as to impair the ability of many districts to maintain the specified eight months' term.

Effects of Priority of Certain Claims

The reductions to counties and to districts were caused by legal requirements which directed the Auditor to deduct amounts from the original Fund for claims of certain districts for "equivalent tax" on state owned property, and to further deduct from the adjusted county allotments amounts for Teachers' Pensions and salaries of County Superintendents. The counties of the poorest group received approximately eighty per cent of claims for special equalization aid.

The analysis of the results of the present procedure in meeting the different claims against the Distributive Fund suggests the need for some modification of the procedure that will be more effective in realizing the purpose of equalization. Such a modification should be provided that deductions for equivalent state land tax, Teachers' Pensions salaries of County Superintendents, and claims for special equalization aid be deducted from the original sum. The final payment to counties would include the full amount of the special aid claims of districts. Each district would suffer a reduction of only approximately thirteen cents per pupil in order that

the special equalization claims could be paid in full.

Sufficiently increased appropriations might result in the payment of all claims using the present formula, but increases in the limit of special equalization aid, or the reduction of assessed valuation in districts would result in reductions in the payment of equalization claims. The new formula would provide full payment of such claims regardless of changes in the amount of the appropriation or of the assessed valuations.

State Appropriations

It is reasonable to assume that the state appropriation to the Distributive Fund should increase proportionately to current school expenses. Comparison of state contributions to public schools and the actual expenses of these schools over a period of years indicates that the state bore an increasing percentage of elementary school expenses from 1912 to 1919, but that the percentage diminished from year to year to 1928 when it was but slightly higher than for 1912 and only slightly more than half of that for 1919. It may be concluded that this relationship was not understood by the legislators, or that it was disregarded during recent years when legislative appropriations were made. The importance of a thorough understanding of the relation of the appropriation to current school expenses is obvious.

Another significant measure of state support of public

education is provided by the ratio of the Distributive Fund to the total state expenses. Exclusive of payments on bonds and receipts from the sale of bonds, the ratio increased from the 1912-14 biennium to the 1918-20 biennium, and then declined steadily to the 1926-28 biennium. The data indicate that the state neglected this relationship intentionally or thru a lack of a thorough understanding of the matter. Careful consideration of the relationship by legislators should be productive of more proportionate appropriations for schools.

Administration of Equalization Funds in Other States

Administrative procedure determines the effectiveness with which state funds are used to equalize the support of the minimum program for public schools. The methods of administering equalization aid used in Delaware, North Carolina, Virginia, Maryland, New Hampshire, New York, Utah, and Missouri may be classified as to purpose as follows: (1) providing entire state support of schools, Delaware and North Carolina; (2) providing partial support for certain budget items, chiefly teachers' salaries, in excess of a local amount raised by a required or optional local tax rate on true or assessed valuations, New Hampshire and Maryland; and (3) providing support of school or teacher units in excess of a required or assumed contribution by local districts, Missouri, Utah, and New York.

A large degree of certainty of school support is found in the methods employed by all of the states examined. The factors contributing to such certainty are (1) the amount of the appropriation and (2) compulsory or optional participation of districts. Current legislative action obviously determines the adequacy of the appropriation. An example of this dependence upon legislative action is found in the failure of the Delaware legislature to appropriate sufficient funds to meet the budget needs even when adequate funds were available.

Compulsory participation of districts is necessary if the equalization method is to produce the desired results. New Hampshire, Maryland, Utah, and New York demand participation of all districts. Missouri and North Carolina, for its two months' extended term beyond six months, provide for optional participation. The certainty of school support demands compulsory participation of all districts.

The exercise of discretionary powers on the part of the State Board or its agent determines the final efficiency of equalization aid to districts. A relatively large amount of flexibility characterizes the powers granted to the State Board and its executive agent in Delaware, North Carolina, New Hampshire and Maryland, but New York, Utah, and Missouri limit such powers to determining the number of teaching or school units to be supported. Virginia and New Hampshire are examples of states which empower the Board to make regulations governing the

distribution of all or part of the equalization funds. There is sufficient evidence to conclude that flexibility of administration is a desirable factor in any state plan designed to equalize educational opportunities.

Illinois in Relation to Modern Plans

The Illinois' equalization plan of providing $850.00 per school-teacher unit, less the proceeds of a required local levy by participating districts, compares most favorably with the methods used in New York, Utah, and Missouri. A certain sum is guaranteed per unit, provided the district has levied the local tax required by law or optional in the law. Theoretically, Illinois guarantees a unit sum, but it is subject to serious deductions before reaching the district, due to the technique of administration which the law prescribes for the Auditor to follow in making the county allotments and the deductions for equivalent state land taxes in certain districts, Teachers' Pension Fund, and salaries of County Superintendents. Since 1928 a further deduction has been authorized for the payment of tuition of orphans originally residing in other school districts.

Two immediate suggestions may be made for increasing the effectiveness of the administration of the Distributive Fund in Illinois. First, the whole sum should be used primarily for equalization purposes, particularly as long

as it remains a relatively small part of the total cost of operating the schools. Second, the suggested new formula for directing the distribution made by the Auditor should replace the old form. The merit of the new formula lies in the certainty of payment of undiminished special equalization claims to districts.

The Assessment Ratio

In Illinois the money appropriated by the legislature for the Distributive Fund is raised by direct property taxation. Article IX of the State Constitution provides that all state taxes shall apply uniformly to all taxable property. The Tenth Annual Report of the State Tax Commission points out the foregoing fact and provides a table showing that the assessed valuations in the different counties are very different from valuations according to sales values. The Commission recommends a more scientific plan of assessment, such as the sales ratio basis used by the Wisconsin and Minnesota tax commissions. Reeves pointed out the discrepancy between assessed valuations in Illinois and valuations according to sales ratios in a supplementary study used in connection with his 1923 study of the Political Unit of Public School Finance in Illinois. A more recent study made by the Department of Taxation and Statistics of the Illinois Agricultural Association shows the same type of results.

Power to equalize property values by the sales ratio method is granted to the tax commissions in Kansas, Louisiana, Minnesota, Missouri, Maryland, and Ohio. One method of improving the possibility of providing real equalization to school districts is to grant the Illinois State Tax Commission power to establish valuations on the basis of sales ratios.

A Modernized Tax System

So long as taxes for school funds with which to pay the amount appropriated by the legislature for the Distributive Fund are raised wholly from property taxes, the Fund probably will not receive a sufficiently large appropriation from the legislature with which to support any considerable part of the current expenses of operating the elementary schools. The sources of school revenue in the several states studied include income, franchise, business, severance, and other forms of non-property taxes to supplant or to supplement state property taxes for schools. Wisconsin uses an income tax, and Minnesota employs a graduated property tax. Both of these forms have given excellent service over a considerable period of years. A combination of such taxes as states now use satisfactorily would doubtless make a profile tax-scheme more serviceable than any single tax for raising state revenue for school and other enterprises.

Effects of the District System

Illinois has little opportunity of realizing true equalization of educational opportunities according to any uniform program so long as more than 10,000 separate and individual rural school districts continue to operate. Any attempt to equalize the cost of maintaining a minimum program in small local districts has two undesirable results; inability of such districts to maintain an acceptable minimum program, and a permanent encouragement to continue the use of a unit which has proven uneconomical. The combination of schools into units of reasonable size increases the probability of the successful operation of a minimum program and of economic support. The proposal of one county to consolidate 120 rural schools into 37 teacher-units indicates the opportunity of securing better schools with greater economy. Of the 10,072 rural elementary districts in the state in 1930, 3,741 districts or 37 per cent enrolled fifteen or less pupils per school. That larger school districts provide greater educational opportunity and make equalization aid reasonably efficient is amply supported by the use of the township and county units as found in the practices of New Hampshire, Maryland, Virginia, North Carolina, and Utah. Definite encouragement to form larger units is provided by the new laws of New York and Missouri.

The bill providing for a county board of education which should survey the county and lay out and recommend larger districts introduced in the 1931 session of the General Assembly shows that Illinois recognizes her need of larger school units. Although the bill failed to become law, it received serious consideration, and it will be introduced again at the next session. Such a plan put into operation has possibilities of resulting in a rapid evolution toward larger school units.

Legislation Versus Executive Control

The administration of the Distributive Fund in Illinois is almost entirely a legislated matter. No officer can act other than as minutely directed by law. Illinois can increase the efficiency with which the Distributive Fund is administered by introducing the element of flexibility. Only through flexible administration can adjustments be made which consider true costs of district schools in terms of differing costs of living, transportation of pupils, unforeseen disaster which temporarily affects the local ability to raise revenue, and the use of minimum state salary schedules which provide for remuneration in terms of years of successful teaching service in addition to the required training qualification. The State Board or its executive officer is granted some flexible powers of

administration in many states. Such a plan for Illinois would provide a possibility of securing rapid progress in the intelligent equalization of the support of the minimum state program for schools.

Summary of Suggested Improvements

The chief methods of improving the administration of the Distributive Fund in Illinois may be summarized as follows: (1) by utilizing the entire fund for equalization purposes, so long as the appropriation remains relatively small; (2) by using the suggested new formula for distributing state funds which provides that no reductions be made from the amount claimed by the district for equalization aid; (3) by improving the assessed tax base; (4) by seeking new sources of revenue, such as franchise, business, inheritance, corporate and personal income, and severance taxes; (5) by providing for the compulsory formation of county or other school units larger than the present small local district; and (6) by introducing the factor of flexibility of administration of the Distributive Fund by a State Board or by the State Superintendent.

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